

AGENDA

4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, JUNE 14, 2016

NOTES:

- Public Forum:
Comments are generally limited to **3 minutes**.
- Consent Items:
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:










- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

2. CITY'S VISION STATEMENT/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT = 

- a. Minutes - May 24, 2016 City Council Special Meeting. 
- b. Minutes - May 24, 2016 City Council Regular Meeting. 
- c. Minutes - May 25, 2016 City Council Special Meeting. 
- d. Approval of Proclamation, Participate with Pride Month, June 2016. 
- e. AB 2118 Approval of a recommendation regarding an Interim Permit and new Series 11 Hotel/Motel Liquor License for Los Abrigados Hotel located at 160 Portal Lane, Sedona, AZ (License #11033057). 
- f. AB 2119 Approval of an Extension of Premises/Patio Permit for The Art of Wine located at 101 N. Highway 89A, Suite B9, Sedona, AZ (License #07030060). 
- g. AB 2111 Approval of revisions to Rule 7 of the City Council Rules of Procedure and Policies to further clarify liaison appointments and roles. 
- h. AB 2122 Approval of the renewal of undercover license plates for existing undercover vehicles. 
- i. AB 2126 Approval of an Intergovernmental Agreement for the provision of services by the Coconino County Elections Department. 

4. APPOINTMENTS - None.





5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration at a later date.)

7. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

8. REGULAR BUSINESS

- a. AB 2112 **Presentation/discussion** on the "Senior Valuation Freeze" and "Exemptions for Disabilities and Widow/Widowers" Property Tax Assistance Programs by Pamela Pearsall, Yavapai County Assessor. 
- b. AB 2078 **Discussion/possible action** regarding the approval of certain contract documents with the Sedona Chamber of Commerce and Tourism Bureau for destination marketing and tourism promotion services for FY2017, including a Marketing and Product Development Plan, Performance Measures document, and Tourism Promotion Budget. 
- c. AB 2127 **Public hearing/discussion/possible action** regarding a resolution approving the transfer of the City cable license to Altice S.A. 
- d. AB 2108 **Discussion/possible action** regarding an Ordinance revising Chapter 12.30.160 of the Sedona City Code. 
- e. **Reports/discussion** on Council assignments.
- f. **Discussion/possible action** on future meeting/agenda items.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

AGENDA

4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, JUNE 14, 2016

Page 2, City Council Meeting Agenda Continued

9. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

10. ADJOURNMENT

Posted: _____

By: _____

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

**Action Minutes
Special City Council Meeting
Vultee Conference Room, Sedona City Hall,
106 Roadrunner Drive, Sedona, Arizona
Tuesday, May 24, 2016, 3:00 p.m.**

1. Call to Order

Mayor Moriarty called the meeting to order at 3:00 p.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor Mark DiNunzio, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor John Martinez, Councilor Jon Thompson, Councilor Jessica Williamson

Staff in attendance: City Manager Justin Clifton, City Attorney Robert Pickels, Jr., Magistrate Judge Lewis Levin, City Clerk Susan Irvine

3. Executive Session

Motion: Councilor Thompson moved to enter into Executive Session at 3:00 p.m. Seconded by Councilor Martinez. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. **Discussion and consultation regarding personnel matters per A.R.S. § 38-431.03(A)(1), specifically to discuss the evaluation process and criteria for Magistrate Judge Lewis Levin's annual evaluation.**
- b. **Discussion and consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding pending or contemplated litigation. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(4).**
- c. **Return to open session. Discussion/possible action on executive session items.**

4. Adjournment

Mayor Moriarty adjourned the meeting at 3:39 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 24, 2016.

Susan L. Irvine, CMC, City Clerk

Date

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**Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, May 24, 2016, 4:30 p.m.**

1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call

Mayor Moriarty called the meeting to order at 4:30 p.m.

Roll Call: Mayor Sandy Moriarty, Vice Mayor Mark DiNunzio, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor John Martinez, Councilor Jon Thompson, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Daines, City Attorney Robert Pickels, Jr., Director of Community Development Audree Juhlin, Principal Planner Warren Campbell, Senior Planner Mike Raber, Assistant Planner Matthew Kessler, Assistant Planner Adam Langford, Interim Chief of Police Ron Wheeler, Lieutenant Lucas Wilcoxson, Officer Aldo Ortega, Officer Dane Scheckel, Communications Specialist Vinita Richie, Police Department Records Clerk Jamie Rivero, City Clerk Susan Irvine.

2. City's Vision

A video of the City's vision was played.

3. Consent Items

- a. **Minutes - May 10, 2016 City Council Regular Meeting.**
- b. **AB 2105 Approval of a recommendation regarding an Interim Permit and new Series 12 Restaurant Liquor License for Mercer's Airport Restaurant Sedona LLC/Mesa Grill located at 1185 Airport Road, Sedona, AZ (License #12133656).**
- c. **AB 2106 Approval of a recommendation regarding an Interim Permit and new Series 12 Restaurant Liquor License for Mercer's Creekside LLC located at 251 E SR 179, Suite 5-8, Sedona, AZ (License #12033399).**
- d. **AB 2107 Approval of a three-year contract for annual audit services with the auditing firm of CliftonLarsonAllen LLP for the fiscal years ending 2016 through 2018 with option to renew for two additional one-year terms.**

Motion: Councilor Martinez moved to approve consent items 3a, 3b, 3c, and 3d. Seconded by Councilor Thompson. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

4. Appointments - None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Councilor Jablow reminded everyone to create defensible space around their property to defend against fire damage. He advised that DeTar has been selected as the contractor for the 9-11 Memorial. The official groundbreaking will be on June 1st, and over \$40,000 has been raised for this project to date. Justin Clifton introduced Ron Wheeler who has been selected as the Interim Chief of Police. Interim Chief Wheeler expressed his gratitude for being selected to return to the Sedona Police Department in

this role. Councilor Martinez stated that there is a community campout at Sunset Park the 1st weekend in June and details are on website. Councilor Thompson stated that the Illuminate Film Festival will be held June 1st through the 5th and encouraged everyone to attend.

6. Public Forum – None.

7. Proclamations, Recognitions and Awards - None.

8. Regular Business

a. AB 2102 Public hearing/discussion/possible action on approval of a resolution adopting the draft Western Gateway Community Focus Area (CFA) Plan.

Presentation by Mike Raber, Audree Juhlin, and Warren Campbell.

Questions from Council.

Opened the Public Hearing at 5:23 p.m.

Paul Welker, Mesa, stated that they have enjoyed the process of constructing the Courtyard by Marriott. They would also like to construct a Residence Inn with 80 to 90 units on another portion of their property and feel it would meet the multi-family housing requirement. They might also be able to place some employee housing units within this property since this is a residential-based project if Marriott would approve this. They would also be willing to construct another trail connector for the Forest Service. One acre of this property was also dedicated as open space which might allow trailhead access. They also donated several tons of rock to the Wastewater Treatment Plant and have incorporated more into the site. Trees which were removed for construction have been transplanted and are surviving. They might also be willing to allow for trailhead parking during the daytime hours depending on liability issues.

Closed the Public hearing and brought back to Council at 5:31 p.m.

Comments from Council.

Motion: Councilor Thompson moved to approve the May 2, 2016 Revised Draft Western Gateway Community Focus Area Plan with the following changes:

- **On Page 1 change the wording to “The Western Gateway will be a sustainably developed, distinct, active, walkable, and vibrant place with a diversity of land uses that attracts both locals and visitors while promoting health, wellness, arts, and education, achieving harmony with the natural environment and creating a sense of arrival to the community.”**
- **On Page 32 change the wording to “Strengthen the Sedona image through appropriate architectural detailing and incorporation of artistic elements.”**
- **On Page 36 change “should discourage unregulated access” to “should discourage unauthorized access”.**
- **On Page 49 remove Item 2.**
- **On Page 49 change the wording to: “Multi-family should be part of any new development proposal in accordance with the City’s Developer Incentive Guidelines for Affordable Housing.”**

Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: Councilor Williamson moved to approve Resolution 2016-18, adopting the Western Gateway Community Focus Area Plan as revised by Council and authorizing staff to make final non-substantive format changes. Seconded by Councilor Thompson. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Break at 6:10 p.m. Reconvened at 6:33 p.m.

- b. AB 2110 Discussion/possible action concerning adoption of an ordinance reducing the sales tax subsidies from the General Fund to the Wastewater Fund from 30% to 25% for Fiscal Year 2016-2017.**

Presentation by Karen Daines.

Questions from Council.

Motion: After 1st reading, Councilor Thompson moved to approve Ordinance No. 2016-02, an ordinance of the Mayor and City Council of the City of Sedona, Arizona, providing for adoption of an ordinance reducing the sales tax subsidies from the General Fund to the Wastewater Fund from 30% to 25% for Fiscal Year 2016-2017. Seconded by Councilor Williamson. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

- c. AB 2109 Public hearing/discussion/possible action regarding approval of the Tentative City Budget for Fiscal Year 2016-17.**

Presentation by Karen Daines.

Questions from Council.

Opened the Public Hearing at 7:03 p.m.

No comments were heard.

Closed the Public hearing and brought back to Council at 7:03 p.m.

Comments from Council.

Motion: Councilor Jablow moved to approve the Tentative Budget for FY2016-17 and thereby set the expenditure limit for the budget at \$38,360,866. Seconded by Councilor Williamson. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

- d. AB 2113 Discussion/possible action on a resolution and ordinance amending the Sedona City Code Chapter 5.05 (Business Licensing) to eliminate Sections 5.05.020(H) and 5.05.030(G) and to delete one sentence in Section 5.05.010.**

Presentation by Karen Daines.

Questions from Council.

Motion: Councilor Thompson moved to adopt Resolution No. 2016-19 creating a public record entitled "2016 Amendments to City Code Business Licensing

Provisions.” Seconded by Councilor Martinez. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: After 1st reading, Councilor Thompson moved to adopt Ordinance No. 2016-03 amending the Sedona City Code Chapter 5.05 (Business Licensing). Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

- e. AB 2103 Discussion/possible action regarding recent State legislation and its potential impact on the City of Sedona and on a request by the League of Arizona Cities and Towns for the submittal of resolutions for possible selection as part of the 2017 State Legislative session.**

Presentation by Robert Pickels, Jr. and Karen Daines.

Questions and comments from Council.

Opened to the public at 7:41 p.m.

Debbie Housholder, owner of Sedona ATV & Buggy Rental, spoke about a central entrance point for all OHVs. She also asked what the problem was with OHVs in the City and what they could do to benefit the City.

Brought back to Council at 7:45 p.m.

Motion: Councilor Martinez moved to authorize City staff to submit a resolution regarding legislative changes to include authority to ban OHVs and ATVs on public streets for consideration as part of the League of Cities and Towns 2017 legislative platform. Seconded by Councilor Williamson. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

f. Reports/discussion on Council assignments

Councilor Martinez stated the he received an email request for \$2,500 for funding from the City of Cottonwood regarding the Yavapai Water Advisory Council. This is for the City’s portion of a second year of water monitoring for the Verde River. Mayor Moriarty stated that she and Justin met with ADOT concerning Midgley Bridge and possible suicide deterrent solutions. Justin stated that there is a chance to partner with ADOT to get a functional and aesthetically pleasing solution. ADOT will also provide temporary signage recommending Highway 260 as an alternate to Highway 179 at congested times. This will be utilized this weekend in a trial run.

g. Discussion/possible action on future meeting/agenda items

Justin stated that requests for funding need to be further examined by Council as a future agenda item with possible direction from Council on the process. Mayor Moriarty advised that there is a meeting tomorrow at 3:00 p.m.

9. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**

- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 7:59 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on May 24, 2016.

Susan L. Irvine, CMC, City Clerk

Date

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**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, May 25, 2016, 3:00 p.m.**

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 3:01 p.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor John Martinez, Councilor Jon Thompson, Councilor Jessica Williamson. Vice Mayor Mark DiNunzio was absent and excused.

Staff Present: Assistant City Manager Karen Daines, City Attorney Robert Pickels Jr., City Intern Jasmine Jewel, Deputy City Clerk JoAnne Cook.

3. Special Business

a. AB 2077 Discussion/possible direction regarding development of a Request for Proposals document to solicit private hauler(s) to provide proposals for a Citywide, City-managed residential trash and recycling program.

Introduction by Karen Daines. Presentation by Karen Daines, and Scott Pasternak, Consultant for Burns & McDonnell. Doug Copp of Sedona Recycles was available to answer questions from Council.

Opened to the public at 3:11 p.m.

Jill McCutcheon, Sedona, Executive Director for Sedona Recycles stated that glass should be added to the list of minimum materials accepted for recycling. She said that the collection of glass is cleaner in a dual stream process than in a single stream process. She said the collection is done curbside by a crew. She believes that this type of collection would benefit the community and create jobs.

Doug Copp, Sedona, Sedona Recycles spoke in favor of a citywide program. He urged Council to consider a split dual RFP in the case that recycling was not chosen as an option for curbside service.

Brought back to Council at 3:14 p.m.

By majority consensus Council directed staff to: include the opportunity to request pricing and a description from vendors for all 3 types of services, the single stream, dual stream, and curbside with the sorting done by the hauler under the Collection Services in the Scope of Work Topic of Table-1; ask vendors to describe the environmental impact of their services under the Evaluation Criteria Topic of Table-1; add a statement that “it is preferred to have the collection of the refuse and recycled materials done for customers on the same day” under Collection Services in the Scope of Work Topic of Table-1; add glass to the minimum materials accepted list under Additional Recycling Program Requirements of Table-2; and to remove the recommendation “Vendors to

identify whether vehicles will be Diesel or CNG vehicles” from the Collection Vehicle Requirements Recommendations of Table-2. Staff will draft a Request for Proposals and bring it forward to Council for review.

Reopened to public at 4:57 p.m.

Steve Segner, Sedona, spoke about billing and customer service calls. He suggested that both be handled by the vendor and not the City. He believes this will be cost effective and better managed by the vendor. He urged Council to hold fast to the opt-out option.

Brought back to Council 4:58 p.m.

b. Discussion/possible action on Future Meeting/Agenda items

Mayor Moriarty advised Council that the Verde Valley Intergovernmental Meeting is tomorrow, starting at 6:00 p.m., at the Yavapai County Complex, Board of Supervisors Room, located at 10 S. 6th Street, Cottonwood, AZ.

4. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

5. Adjournment

Mayor Moriarty adjourned the meeting at 4:59 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 25, 2016.

JoAnne Cook, Deputy City Clerk

Date



City of Sedona Proclamation Request Form

Full Name of Contact Person	Angela Hughey
Contact Phone Number	602-284-1418
Contact Mailing Address	PO Box 17836 Phoenix, AZ 85013
Contact Email Address	angela@ONEcommunity.co
Group, Organization, Activity or Event Being Recognized (Please make sure you provide complete and current information about the group or event)	ONE Community Foundation and Fry's Food Stores
Website Address (if applicable)	www.ONEcommunityfoundation.org
Name of the sponsor(s) of the Proclamation (2 Council members or the City Manager)	Mayor Sandy Moriarty and Councilor Williamson
What is the proclaimed day, days, week or month? (e.g. 10/11/12, October 11-17, 2012, October 2012)	June 2016
Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up?	<input type="checkbox"/> Presentation at Meeting <input checked="" type="checkbox"/> Pick up Proclamation
If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group.	

Provide information about the organization/event including a mission statement, founding date, location and achievements.

In 2012, ONE Community announced the creation of its Multicultural Advisory Board, bringing diverse LGBT and allied business and non-profit professionals into the conversation about creating the ONE Community Foundation. After careful deliberation the group decided that the creation of the ONE Community Foundation should move forward and on October 19th at the 2012 Spotlight on Success Local Heroes Awards, the creation of the ONE Community Foundation was announced with 100% of the events raffle proceeds benefiting New Pathways for Youth, an LGBT inclusive mentorship programs for high school students.

The ONE Community Foundation provides educational opportunities to ensure better understanding of nondiscrimination and the importance of being LGBT inclusive. Additionally, the foundation will offer tuition assistance to LGBT and allied high potential leaders for leadership training.

We believe in investing in LGBT and allied young adults and professionals to ensure a brighter future and stronger foundation for all of Arizona. We are the ONE Community Foundation.



Please explain why this Proclamation and any events accompanying it are important to the Community and are consistent with the City's vision statement and Community Plan goals. What is the clear reason for the Proclamation and why are you requesting this honor? What activities/events are planned around this Proclamation and how do you plan to promote this to the community?

The Participate with Pride proclamation states that the City of Sedona has adopted a fully inclusive non-discrimination ordinance which respects the dignity and rights of all citizens.

Please include a draft of the proposed Proclamation with this request, preferably a Word file in electronic format.

**Office of the Mayor
City of Sedona, Arizona**



**Proclamation
Participate with Pride Month
June 2016**

WHEREAS, our community is committed to diversity and inclusion for all; and

WHEREAS, the City of Sedona has a fully-inclusive non-discrimination ordinance that protects all citizens equally; and

WHEREAS, inclusive non-discrimination policies respect the dignity and rights of all citizens; and

WHEREAS, inclusive non-discrimination policies are good for attracting new business, tourism, and talent; and

WHEREAS, ONE Community Foundation and Fry's Food Stores are partnering during the month of June 2016 in an effort to raise awareness and educate Arizonans about the benefits of being open for business to everyone.

NOW, THEREFORE, I, SANDY MORIARTY, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, do hereby proclaim June, 2016 as "Participate with Pride Month" in Sedona and urge all citizens to participate with pride by signing the UNITY Pledge in support of an Arizona that is open for business to everyone.

Issued this 14th day of June, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

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**CITY COUNCIL
AGENDA BILL**

**AB 2118
June 14, 2016
Consent Items**

Agenda Item: 3e

Proposed Action & Subject: Approval of a recommendation regarding an Interim Permit and new Series 11 Hotel/Motel Liquor License for Los Abridados Hotel located at 160 Portal Lane, Sedona, AZ (License #11033057).

Department City Clerk's Office

Time to Present N/A

Total Time for Item

Other Council Meetings N/A

Exhibits Liquor License Application is available for review and inspection at the City Clerk's Office.

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Approve a recommendation for an Interim Permit and Liquor License for Los Abridados.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City has received an application for an Interim Permit and new Series 11 Hotel/Motel Liquor License for Los Abridados Hotel located at 160 Portal Lane, Sedona, AZ (License #11033057). The liquor license application is available for review and inspection in the City Clerk's office or by email.

A Series 11 Hotel/Motel Liquor License is a non-transferable, on-sale retail privileges liquor license which allows the holder of a hotel/motel license to sell and serve all types of spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises. The restaurant on the licensed premises must derive at least forty percent (40%) of its gross revenue from the sale of food. The holder of this license may sell spirituous liquor in sealed containers in individual portions to its registered guests at any time by means of a minibar located in the guest rooms of registered guests. The registered guest must be at least twenty-one (21) years of age. Access to the

minibar is provided by a key or magnetic card device and may not be furnished to a guest between the hours of 2:00 a.m. and 6:00 a.m.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Community Plan Consistent: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s): Recommend denial of the Interim Permit and Series 11 Hotel/Motel Liquor License for Los Abridados Hotel located at 160 Portal Lane, Sedona, AZ (License #11033057).

MOTION

I move to: recommend approval of the Interim Permit and Series 11 Hotel/Motel Liquor License for Los Abridados Hotel located at 160 Portal Lane, Sedona, AZ (License #11033057).



CITY COUNCIL AGENDA BILL

AB 2119
June 14, 2016
Consent Items

Agenda Item: 3f

Proposed Action & Subject: Approval of an Extension of Premises/Patio Permit for The Art of Wine located at 101 N Hwy 89A, Suite B9, Sedona, AZ (License #07030060).

Department	City Clerk's Office
Time to Present	N/A
Total Time for Item	N/A
Other Council Meetings	N/A
Exhibits	Permit Application is available for review and inspection at the City Clerk's Office.

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Approve an Extension of Premises/ Patio Permit for the Art of Wine.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The Art of Wine has submitted an application for an Extension of Premises/Patio permit to include a patio area on the exterior of their licensed premises applicable to their Series 7 Beer and Wine Bar Liquor License (License #07030060). The Art of Wine is located at 101 N. Hwy 89A, Suite B9 in the Shops at Hyatt Piñón Pointe. The Art of Wine would like to expand their seating to the patio and to allow for consumption of alcohol on the patio. In order for this additional space to be included in the approved Series 7 Liquor License, The Art of Wine is required to submit and receive approval for an Extension of Premises/Patio permit. City Council is being asked to forward a recommendation for approval or denial for this application.

A Series 7 Liquor License (Beer and Wine) is a "quota" license available only through the Liquor License Lottery or for purchase on the open market. Once issued, this liquor license is transferable from person to person and/or location to location within the same county and allows the holder both on- & off-sale retail privileges. This license allows a beer and wine bar

retailer to sell and serve beer and wine (no other spirituous liquors), primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. Community Development staff initially had concerns related to the retractable barrier proposed for the patio. They met with the applicants and reached an agreement on a different design plan which includes a permanently attached metal railing and a concrete planter for the barriers. The applicant has submitted the proper permits for this alteration, and, once the work is complete, a new Certificate of Occupancy covering the outdoor area will be issued. No further objections regarding its approval were noted.

Community Plan Consistent: ☐Yes - ☐No - ☐Not Applicable

Board/Commission Recommendation: ☐Applicable - ☐Not Applicable

Alternative(s): Do not approve the Extension of Premises/Patio Permit for The Art of Wine located at 101 N Hwy 89A, Suite B9, Sedona, AZ (License #07030060).

MOTION

I move to: approve the Extension of Premises/Patio Permit for The Art of Wine located at 101 N Hwy 89A, Suite B9, Sedona, AZ (License #07030060) with the modified design plan and diagram as approved by Community Development.



CITY COUNCIL AGENDA BILL

AB 2111
June 14, 2016
Consent Items

Agenda Item: 3g

Proposed Action & Subject: Approval of revisions to Rule 7 of the City Council Rules of Procedure and Policies to further clarify liaison appointments and roles.

Department City Manager/City Clerk's Office

Time to Present 10 minutes

Total Time for Item 30 minutes

Other Council Meetings January 13, 2016, January 27, 2016

Exhibits A. Proposed Changes to Council Rules of Procedure - Rule 7
B. Updated Council Assignments with Roles Identified

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Discuss and take action on revisions to Rule 7 of the Council Rules of Procedure concerning Liaisons.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: During two work sessions in January, the Council discussed the liaison positions and the related roles. The City Manager also met with individual Councilors to discuss their assignments. It was determined that further clarification was needed on the roles liaisons would serve and how liaisons positions are created. Changes are proposed to the City Council Rules of Procedure and Policies, Rule 7 to address these clarification issues.

Proposed changes are as follows:

- Add a section about Appointments to read:
 - Appointments shall be made at the Mayor's discretion with input from the City Manager. Appointments will be revisited and possibly reassigned following City Council elections. Councilors may express interest in certain liaison roles; however, the final determination for the appointment will be a decision of the Mayor. New liaison roles will be approved by the Mayor and City Manager. City staff may be assigned in lieu of a City Councilor.
- Add definition of Roles in the following categories:

- Informal Voluntary - liaisons to these organizations are voluntary based on interest from Councilors. Liaisons should limit activity to attending meetings, collecting information, and reporting back to Council. Councilors are discouraged from giving general reports except those that are limited to information relevant to the organization to which the liaison serves or as otherwise directed by Council.
- Financial Relationship - liaisons to these organizations are established based on a significant, ongoing financial contribution, often resulting in a service contract, MOU, IGA, or a specific service rendered in exchange for a fee. Liaisons should play a more active role in observing and assessing fiscal stewardship and alignment between funding and any stated goals or outcomes associated with funding from the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.
- Shared Governance - liaisons should play the most active role; influencing the organization through voting, lobbying, and other means in the interest of the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.

These changes should aid Council and staff in clarifying their roles and responsibilities when serving in a liaison capacity. Also included as Exhibit B, is an updated list of liaison assignments with roles identified.

Community Plan Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

MOTION

I move to: approve the changes to Rule 7 of the City Council Rules of Procedure and Policies as presented.

RULE 7

PROCEDURE FOR COUNCIL AND CITY MANAGER (OR DESIGNEE) **LIAISONS/REPRESENTATIVES TO PROVIDE INPUT TO REGIONAL BOARDS AND COMMITTEES**

A. APPOINTMENT

Appointments shall be made at the Mayor's discretion with input from the City Manager. Appointments will be revisited and possibly reassigned following City Council elections. Councilors may express interest in certain liaison roles; however, the final determination for the appointment will be a decision of the Mayor. New liaison roles will be approved by the Mayor and City Manager. City staff may be assigned in lieu of a City Councilor.

B. ROLES

Roles are defined in the categories of Informal Voluntary, Financial Relationship, and Shared Governance.

1. Informal Voluntary - liaisons to these organizations are voluntary based on interest from Councilors. Liaisons should limit activity to attending meetings, collecting information, and reporting back to Council. Councilors are discouraged from giving general reports except those that are limited to information relevant to the organization to which the liaison serves or as otherwise directed by Council.
2. Financial Relationship - liaisons to these organizations are established based on a significant, ongoing financial contribution, often resulting in a service contract, MOU, IGA, or a specific service rendered in exchange for a fee. Liaisons should play a more active role in observing and assessing fiscal stewardship and alignment between funding and any stated goals or outcomes associated with funding from the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.
3. Shared Governance - liaisons should play the most active role; influencing the organization through voting, lobbying, and other means in the interest of the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.

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E.C. REPORTS TO STAFF

After appointment by the City Council to a regional Board or Committee, the Council representative should periodically report items of significance to the Council as part of the Council Assignments portion of City Council meetings and may also wish to provide periodic^a updates to appropriate Department Heads.

F.D. DIRECTION FROM COUNCIL

1. Upon the request of the Council representative, issues may be agendized for Council consideration before the next regional meeting so the representative may receive instruction and direction from the Council. Staff may also participate in and make a recommendation to the Council.
2. The City Council will deliberate and indicate by motion the instruction and direction which the representative is to present in representing the City before regional bodies and Committees.

G.E. SPEAKING ON BEHALF OF COUNCIL

1. If a Councilor appears before any federal, state, regional, county or other governing body, board or committee, and has not received any direction from the City Council as a whole concerning matters which are being discussed, any comments or statements made by said Councilor should clearly indicate that the Councilor is speaking only as an individual and that his/her comments should not be construed as representing the views of the City of Sedona or the Sedona City Council. (See Rule 2, Section F, Paragraphs 1 and 2)
2. Where time constraints require immediate input on behalf of the City, and where the Councilor has a substantial good-faith basis for assuming that there would be strong Council support and there is support for the particular issue in the Community Plan and/or Strategic Plan, the Councilor may proffer a tentative City position and shall thereafter give, within twenty-four (24) hours, written notice to other Councilors and the City Manager of the position taken.

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Council Assignments – Updated 5-12-16 by SLI

Assignment	Liaison Role	Estimated Time Commitment	Council Liaison	Staff Support/ Assignment	Group Contact
Agenda Setting Team	SG	Meets twice a month to set Council agenda for upcoming meetings	Sandy Moriarty (M) Mark DiNunzio (VM)	Justin Clifton Robert Pickels, Jr. Karen Daines Ginger Graham Susan Irvine	sirvine@sedonaaz.gov
Coconino Plateau Water Advisory Committee	SG	Meets last Friday of the month	John Martinez	Charles Mosley	Ron Doba rdoba@cox.net (best) rdoba@coconino.az.gov
Greater AZ Mayor's Association (GAMA)	SG	Meets quarterly	Sandy Moriarty (M) *Mark DiNunzio (VM)	City Manager	Bill Diak mayor@cityofpage.org
Greater Sedona Area Substance Abuse Coalition	IV	Meets monthly at City Hall		Chief Cota	
Humane Society of Sedona	FR			City Manager or designee	
Keep Sedona Beautiful	IV	Meets once monthly – third Thursday of each month at 9:00 a.m.	Jon Thompson		None
League of Arizona Cities Ad Hoc Policy Committees	SG		Jon Thompson	City Attorney or City Manager as needed	Stephanie Prybyl sprybyl@azleague.org
League of Arizona Cities Resolution Committee	SG	Meets quarterly at the headquarters in Phoenix	Sandy Moriarty (M) *Mark DiNunzio (VM)	City Attorney or City Manager as needed	Stephanie Prybyl sprybyl@azleague.org
MATForce/Yavapai County Substance Abuse Coalition Verde Valley Steering Committee	IV	Meets 2 nd Wednesday of the month in Cottonwood		Chief Cota or designee	Merilee Fowler merileef@cableone.net
NACOG	SG	Meets bi-monthly	Jon Thompson	City Manager or designee/Andy Dickey	Cindy Binkley cbinkley@nacog.org

* indicates Alternate
FR = Financial Relationship
IV = Informal Voluntary
SG = Shared Governance

Council Assignments – Updated 5-12-16 by SLI

Assignment	Liaison Role	Estimated Time Commitment	Council Liaison	Staff Support/ Assignment	Group Contact
Oak Creek Watershed Council (formerly Oak Creek Canyon Task Force)	FR	Meets Bi-monthly on the 2 nd Friday in Vultee	None needed	David Peck/Andy Dickey	Marie McCormick 284-444-0756 marie@oakcreekwatershed.org
Public Safety Personnel Retirement	SG	Meets as needed when a new officer is hired to determine eligibility or an officer retires or applies for disability. They meet at least once per year.	Mark DiNunzio	Nancy Wilson	nwilson@sedonaaz.gov
Red Earth Theatre/The Hub	FR			City Manager or designee	
Sedona Chamber of Commerce & Tourism Bureau	FR		None needed	City Manager or designee	Jennifer Wesselhoff jwesselhoff@sedonachamber.com
Sedona Chamber of Commerce Marketing Committee	IV	Quarterly or more frequently as needed	Jon Thompson Mark DiNunzio *Jessica Williamson	City Manager or designee	Michelle Conway mconway@sedonachamber.com
Sedona Community Center Board	FR	Meets monthly at the Community Center	Scott Jablow	Karen Daines	John Tamiazzo jtamiazzo@scsedona.org
Sedona Cultural Collaborative	IV	Meets bi-monthly	Jon Thompson		Winnie Muench 928-554-4059 markwin47@gmail.com
Sedona Events Alliance	IV		Sandy Moriarty (M) *Jon Thompson	Rachel Murdoch	Al Comello al@comellomedia.com
Sedona Lodging Council	IV		Scott Jablow		
Sedona Main Street Program	FR	1 st Tuesday of the month from 8:00 a.m. to 10:00 a.m.	Jessica Williamson		Holly Epright info@sedonamainstreet.com
Sedona Public Library	FR		John Martinez	City Manager or designee	Virginia Volkman vvolkman@sedonapubliclibrary.org
Sedona Recycles	FR			City Manager or designee	

* indicates Alternate
FR = Financial Relationship
IV = Informal Voluntary
SG = Shared Governance

Council Assignments – Updated 5-12-16 by SLI

Assignment	Liaison Role	Estimated Time Commitment	Council Liaison	Staff Support/ Assignment	Group Contact
US Forest Service	IV		None needed	City Manager or designee	
Verde River Basin Partnership	IV		Jon Thompson		Brent Bitz brentwbitz@gmail.com
Verde Valley Caregivers	FR		Mark DiNunzio (VM)		
Verde Valley Coalition Against Human Trafficking	IV		John Martinez		
Verde Valley Intergovernmental Group	IV	Meets quarterly and all Council members are invited to attend.	Sandy Moriarty (M) *Mark DiNunzio (VM)	City Manager or designee	DeShannan.Young@co.yavapai.az.us
Verde Valley Land Preservation Institute	IV		Jon Thompson		Bob Rothrock verdevalleyipi@aol.com
Verde Valley Mayor/Manager Group	IV	Meets quarterly at a regional location. 3 hours including travel time	Sandy Moriarty (M) *Mark DiNunzio (VM)	City Manager	DeShannan.Young@co.yavapai.az.us
Verde Valley Regional Economic Organization	IV	Meets the 1 st Friday of the month from 9:00-11:00 a.m.	Jessica Williamson *Jon Thompson	City Manager or designee	Mary Chicoine vvreoinfo@vvreo.com
VVTPO (VV Transportation Planning Organization)	IV	Meets last Wednesday every other month at Verde Room 2 nd Floor Yavapai County complex at 10 S 6 th Street.	Mark DiNunzio	Andy Dickey	DeShannan.Young@co.yavapai.az.us
Yavapai County Mayor/Manager group	IV	Meets quarterly at a regional location. 3 hours including travel time.	Sandy Moriarty (M) *Mark DiNunzio (VM)	City Manager or designee	DeShannan.Young@co.yavapai.az.us
Yavapai Water Advisory Committee	IV	Inactive	John Martinez		John.Rasmussen@co.yavapai.az.us

* indicates Alternate
FR = Financial Relationship
IV = Informal Voluntary
SG = Shared Governance

Council Assignments – Updated 5-12-16 by SLI

Role	Definition
Financial Relationship	Liaisons to these organizations are established based on a significant, ongoing financial contribution, often resulting in a service contract, MOU, IGA, or a specific service rendered in exchange for a fee. Liaisons should play a more active role in observing and assessing fiscal stewardship and alignment between funding and any stated goals or outcomes associated with funding from the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.
Informal Voluntary	Liaisons to these organizations are voluntary based on interest from Councilors. Liaisons should limit activity to attending meetings, collecting information, and reporting back to Council. If the liaison is asked to give a report on the City, this is discouraged, but, if given, the liaison should ensure that the report reflects all City Council activities and not just the liaison's areas of interest.
Shared Governance	Liaisons should play the most active role; influencing the organization through voting, lobbying, and other means in the interest of the City. Whenever practical, Council should provide input to liaisons so they can more effectively represent the City. Input could be related to seeking specific information from the organization such as annual reports or audits or direction given to advocate for certain outcomes. Liaisons should never vote or make commitments on anything without delegation from Council. The Council liaison and staff liaison should coordinate efforts to maximize effectiveness of both positions and eliminate possible conflicting information.

* indicates Alternate
FR = Financial Relationship
IV = Informal Voluntary
SG = Shared Governance



CITY COUNCIL AGENDA BILL

AB 2122
June 14, 2016
Consent Items

Agenda Item: 3h

Proposed Action & Subject: Approval of the renewal of undercover license plates for existing undercover vehicles.

Department Police Department

Time to Present N/A

Total Time for Item

Other Council Meetings N/A

Exhibits None

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Approve the renewal of undercover license plates.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: The Police Department has five unmarked investigative/administrative vehicles. State statute requires that government vehicles have markings on them, unless a governing body requests an exemption from this requirement. This is the annual renewal for four of the five current vehicles in the program.

The government vehicles must maintain identifiable markings except as provided by state statute A.R.S. § 38-538.03 Exemptions:

...B. ... the head of a department or agency of a political subdivision may apply to the governing body of the political subdivision, for an exemption from this article for a motor vehicle used in this service. The application shall state the nature of the service and the year, make, and model and identification number of the motor vehicle and shall provide other information the governor or political subdivision governing body requires. The governor or political subdivision governing body may grant the exemption for **not more than one year**.

The list of vehicles by year, make, model, and VIN has been prepared and is available for review at the Police Chief's office.

Community Plan Compliant: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s):

MOTION

I move to: approve the renewal of undercover license plates for existing undercover vehicles.



CITY COUNCIL AGENDA BILL

AB 2126
June 14, 2016
Consent Items

Agenda Item: 3i

Proposed Action & Subject: Approval of an Intergovernmental Agreement for the provision of services by the Coconino County Elections Department.

Department City Clerk

Time to Present N/A

Total Time for Item

Other Council Meetings None

Exhibits A. Proposed Resolution with IGA as Attached Exhibit

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ TBD
City Manager's Recommendation	Approve IGA with Coconino County for the provision of election services.	Amount Budgeted
		\$ 65,100
		Account No. 10-5240-01-6704
		(Description) Elections
		Finance <input checked="" type="checkbox"/>
		Approval

SUMMARY STATEMENT

Background: Coconino County has submitted an Intergovernmental Agreement for the Provision of Services by the Coconino County Elections Department. This is an agreement for the services they will provide to the City of Sedona for the August 30, 2016 Primary Election and the November 8, 2016 General Election.

Community Plan Compliant: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s): None - the City must enter into this IGA so that Coconino County can provide election services to the City.

MOTION

I move to: approve Resolution 2016-____, authorizing an Intergovernmental Agreement for the provision of services by the Coconino County Elections Department.

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RESOLUTION NO. 2016-____

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR
PROVISION OF SERVICES BY THE COCONINO COUNTY ELECTIONS
DEPARTMENT.**

WHEREAS, the respective governmental entities the City of Sedona (the "City") and Coconino County (the "County") desire to enter into an Intergovernmental Agreement (IGA) for Provision of Services by the Coconino County Elections Department attached as an exhibit to this resolution; and

WHEREAS, execution of this IGA will allow the City and the County to work in cooperation on the August 30, 2016 Primary Election and November 8, 2016 General Election.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, THAT;

The City of Sedona, through its Mayor and City Council, hereby approves the Intergovernmental Agreement for Provision of Services by the Coconino County Elections Department and authorizes the Mayor to execute the IGA with approval of the City Attorney.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 14th day of June, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

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Intergovernmental Agreement FOR PROVISION OF SERVICES BY THE COCONINO COUNTY ELECTIONS DEPARTMENT

This Contract for Services is entered into this _____ day of _____, 2016 pursuant to A.R.S. 11-951 *et seq* between **COCONINO COUNTY**, for and on behalf of **COCONINO COUNTY ELECTIONS DEPARTMENT (CCED)**, a political subdivision of the State of Arizona, hereinafter referred to as **COUNTY**, and **CITY OF SEDONA**, hereinafter referred to as **JURISDICTION**, also a political subdivision of the State of Arizona.

WHEREAS, the COUNTY has authority under A.R.S. Title 16 and 19 to conduct elections and responsibility for establishing and staffing polling places, preparing and counting ballots, and providing voting equipment;

WHEREAS, the COUNTY RECORDER has the authority to maintain voter registration rolls and to conduct early balloting under A.R.S. 16-162 and A.R.S. Title 17, Ch. 4, Art. 8;

WHEREAS the JURISDICTION has the responsibility for conducting its own elections under A.R.S. Title 16;

WHEREAS, the JURISDICTION is authorized to contract with the board of supervisors and county recorder for election services under A.R.S. 16-408 and desires to use the election services of COUNTY to conduct its election as set forth below;

NOW THEREFORE, in consideration of the mutual agreements described herein, the parties agree as follows:

SECTION 1. Type of Election and Important Dates

COUNTY agrees to provide election services for the following elections:

PRIMARY ELECTION

Date of Primary Election:<08/30/2016>

Early Voting Begins:..... <08/03/2016>

Last Day to Register to Vote:..... < 08/01/2016>

Last Day to Request Early Ballot by Mail:..... < 08/19/2016>

Last Day to Vote Early:..... < 08/26/2016>

GENERAL ELECTION

Date of General Election: <11/08/2016>

Early Voting Begins:..... <10/12/2016>

Last Day to Register to Vote:..... < 10/10/2016>

Last Day to Request Early Ballot by Mail:..... < 10/28/2016>

Last Day to Vote Early:..... < 11/04/2016>

SECTION 2. CONTACT PERSONS FOR JURISDICTION

Contact Name: Susan L. Irvine
Address: 102 Roadrunner Drive
Telephone: 928-282-3113
Fax: 928-204-7105
E-mail : SIrvine@SedonaAZ.gov
Cell Phone: 928-308-4206

Legal Counsel: Robert L. Pickels, Jr.
Address: 102 Roadrunner Drive
Telephone: 928-204-7200
Fax: 928-204-7188
E-mail: RPickels@SedonaAZ.gov

SECTION 3: PURPOSE

The purpose of this contract is to secure the services of COUNTY, as enumerated in Section 4, for the preparation and conduct of the election described above.

SECTION 4: SERVICES TO BE PERFORMED BY COUNTY

The Coconino County Elections Department (CCED), or its designated agent, agrees to:

1. PRINTING

The statutory required amount of ballots will be designed, ordered and printed through CCED, so that the election can use the Diebold AccuVote Optical Scan Voting System.

2. TRANSLATION

SPANISH: Translation of ballot text shall be provided by JURISDICTION. The jurisdiction is responsible for ensuring the Spanish translation of the ballot text also appears in the Information Report, Publicity Report and Sample Ballot.

NATIVE AMERICAN: If a portion of the jurisdiction is located on an Indian Reservation, all election related materials must be translated into the Native American language. CCED will provide Navajo language translation for the ballot.

3. BALLOTS

- A. CCED will have Official Ballots printed and distributed to the early voting sites and the polling places:
- B. JURISDICTION will provide CCED with final ballot language at least 90 days prior to election day.
- C. After 90 days prior to election day, JURISDICTION will pay \$100 per change to CCED for any changes or alterations to final ballot language.
- D. CCED shall provide the JURISDICTION a ballot proof. The JURISDICTION shall have three days to notify CCED of any corrections to the ballot because of errors or omissions.

4. POLL WORKERS

CCED will recruit, train, provide and pay Election Board Workers to conduct the polls on Election Day.

5. POLLING PLACES

CCED will designate and arrange for the polling places. (This includes reserving each site and mailing an agreement to each polling location.)

6. REGISTERS AND ROSTERS

- A. CCED will provide precinct registers and signature rosters.
- B. CCED voter lists, registers and files contain restricted Data – release or distribution of all or any portion of such information is restricted and in some cases prohibited by law, subject to criminal prosecution.

7. ELECTION DAY SUPPLIES

CCED shall deliver and pick up polling place supplies.

8. LOGIC AND ACCURACY TEST

- A. CCED will conduct the Logic and Accuracy Test of vote tabulating equipment.
- B. CCED will publish notice of the Logic and Accuracy Tests.

9. EARLY VOTING

CCED will conduct early voting by mail and in person at locations designated by CCED.

SECTION 5: OBLIGATIONS OF JURISDICTION

JURISDICTION, or its designated agent, agrees to:

1. Pay the following costs to CCED:

\$2.00 per registered voter, except as provided below, plus:

- * Actual cost of Native American Outreach
- * Postage **ADVANCED** by entity to Vendor of CCED's choice if needed for mailing the information pamphlet.

2. Publish and/or post all legal notices required by statute.
3. Prepare, print and mail any required informational pamphlet.
4. If a change in taxing district boundaries occurs, notify the Department of Revenue by November 1 pursuant to ARS §42-17257

SECTION 6: MANNER OF FINANCING AND BUDGETING

Each party represents that it has sufficient funds available in this current fiscal year budget to discharge the funding obligation imposed by this Contract.

SECTION 7: TERMINATION

This Contract shall terminate upon resolution of all matters connected with the elections, legal challenges excepted, or upon written notice by either party to the other within thirty (30) days prior to the election date(s). Should the election herein be challenged or questioned for any reason whatsoever, then, subject to the Jurisdiction's right of indemnification under Section 8 of this Contract, the Jurisdiction shall be solely responsible for the defense of said election, provided that the County shall cooperate in the defense of such challenge and shall provide its officers and employees as necessary to testify in any proceedings arising from the challenge.

SECTION 8: INDEMNIFICATION OF COUNTY AND DISTRICT

To the extent permitted by law, each party agrees to hold the other party harmless and to indemnify the other for any loss, liability or damage arising from any action, omission or negligence of each party's employees, officers or agents, regarding the performance of this Contract.

SECTION 9: EFFECTIVE DATE AND TERM OF AGREEMENT

This Contract shall become effective from and after the date of its execution and shall terminate as provided in Section 7.

SECTION 10: CANCELLATION

This agreement is subject to cancellation pursuant to the provisions of A.R.S. §38-511.

SECTION 11: SEVERABILITY

If any provision of this Contract or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this Contract.

IN WITNESS WHEREOF, the governing bodies of each of the parties hereto have approved this agreement by resolution adopted on the dated given below.

JURISDICTION:

COCONINO COUNTY:

Date of adoption: _____

Date of adoption: _____

Sandra J. Moriarty
Mayor

Patty Hansen
Coconino County Recorder

Lena Fowler, Chairman
Board of Supervisors

ATTEST:

ATTEST:

Susan L. Irvine, CMC
City Clerk

Wendy Escoffier
Clerk of the Board

Reviewed and approved by legal counsel and found to be within the authority of the governing body to adopt:

Robert L. Pickels, Jr. Attorney for Jurisdiction

Deputy County Attorney

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**CITY COUNCIL
AGENDA BILL**

**AB 2112
June 14, 2016
Regular Business**

Agenda Item: 8a

Proposed Action & Subject: Presentation/discussion on the "Senior Valuation Freeze" and "Exemptions for Disabilities and Widow/Widowers" Property Tax Assistance Programs by Pamela Pearsall, Yavapai County Assessor.

Department City Clerk's Office

Time to Present 10 minutes

Total Time for Item 30 minutes

Other Council Meetings N/A

Exhibits

- A. Taxpayer Education Property Tax Assistance Programs Press Release
- B. 2016 Senior Property Valuation Freeze Press Release
- C. 2016 Exemptions Press Release

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	For presentation and discussion only.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: Yavapai County Assessor, Pamela Pearsall, is conducting outreach throughout the County to educate taxpayers about two property assistance programs. She will make a brief presentation on the Senior Valuation Freeze and the Exemptions for Disabilities and Widow/Widowers and then be available to answer questions.

Community Plan Consistent: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s): None.

MOTION

I move to: for presentation and discussion only.

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WWW.YAVAPAI.US

PAMELA J. PEARSALL, ASSESSOR
DAVID HANSON, CHIEF DEPUTY

1015 FAIR STREET, PRESCOTT, AZ 86305 – PHONE 928.771.3220 – FAX 928.771.3181
10 S. 6TH STREET, COTTONWOOD, AZ 86326– PHONE 928.639.8121 – FAX 928.639.8104



Taxpayer Education Property Tax Assistance Programs

The Yavapai County Assessor, Pamela Pearsall, is striving to educate qualified tax payers about the Property Tax Assistance Programs in Arizona offered through the Assessor's Office. Currently in Arizona there are two (2) programs designed to assist qualified Property Taxpayers; the Senior Valuation Freeze, and Exemptions for: disabilities and widow/widowers.

Assessor Pearsall would like a brief moment, approximately 5 to 10 minutes, to speak to your organization to spread the word about these programs; in hopes that this public outreach will assist in informing qualified taxpayers about these Property Tax Assistance programs.

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WWW.YAVAPAI.US

PAMELA J. PEARSALL, ASSESSOR
DAVID HANSON, CHIEF DEPUTY

1015 FAIR STREET, PRESCOTT, AZ 86305 – PHONE 928.771.3220 – FAX 928.771.3181
10 S. 6TH STREET, COTTONWOOD, AZ 86326 – PHONE 928.639.8121 – FAX 928.639.8104



FOR IMMEDIATE RELEASE
CONTACT: Sherri Parker (928) 771-3220

Senior Property Valuation Freeze

DEADLINE TO FILE IS SEPTEMBER 1, 2016

Pamela Pearsall, the Yavapai County Assessor is reminding homeowners that the deadline to file applications for the senior property valuation freeze for this year is, September 1, 2016. This is not a tax freeze; taxes will continue to fluctuate in accordance with tax rates. The senior freeze allows homeowners age 65 and older to freeze the taxable value of their residence at the 2016 amount for a period of three-years. That value will remain in effect indefinitely, barring major changes to the property, providing the owner re-qualifies at the end of each three-year period.

To qualify for the valuation freeze the homeowner(s) must meet the following requirements on the date of application: one owner must be at least 65 years old; the owner must have occupied the residence for at least two years; the average of the total income of all owners for the prior three years (2013, 2014, 2015) cannot exceed \$35,184 for one owner, \$43,980 for two or more owners. Please review your current Notice of Value Card. You will be able to compare the 2016 vs. 2017 Limited Property Value to determine what year the freeze will be beneficial to you.

Documents that provide proof of ownership, age, residency, and gross income (taxable and non-taxable) will be required at the time of application. Ownership will be verified at the time of application by referring to current assessor's records. If the residence is titled in a trust, please provide the trust documents showing the trustees. Driver's license and utility bills are examples of acceptable proof of age and residency. Federal Income Tax Returns and year-end statements may be submitted to provide proof of taxable income. Year-end statements will also provide proof of non-taxable income.

Qualified owners must bring all their supporting documentation to either the Prescott or Cottonwood office, please note that supporting documentation is for verification only, no copies will be retained. No mail-in applications will be accepted. Again, the last day the Assessor's Office will accept applications for this year, is September 1, 2016. If homeowners have any questions, please contact the Assessor's Office in Prescott at (928) 771-3220 or in Cottonwood at (928) 639-8121.

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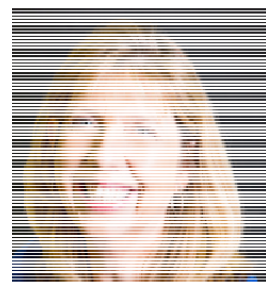
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CONTACT: Sherri Parker (928) 771-3220

PUBLIC SERVICE ANNOUNCEMENT
IMMEDIATE MEDIA RELEASE

EXEMPTIONS

Pamela Pearsall, Yavapai County Assessor, reminds all widows, widowers, disabled persons, and non-profit organizations that it is now time to file applications for property tax exemption for the 2016 Tax roll. Due to a change to A.R.S. §42-11111, the assessed value limit for property tax exemptions for widow, widowers and disabled persons has increased from \$25,306 to 25,708. This corresponds to an increase in the allowable Limited Property Value (Taxable Value) limit from \$253,060 to \$257,080. The "Household Income Limit" amount for widows, and widowers, and disabled persons has also increased from \$31,035 to \$31,528 (for those with no children under age 18) and from \$37,231 to \$37,823 (for those with children under age 18). Individuals or organizations applying for the first time should call either the Prescott or Cottonwood Office prior to visiting the office so as to determine which documentation will be needed.

Affidavits must be filed with the Assessor between the first business day in January and the last business day in February. Most religious organizations do not have to renew their exemption annually. However, if the religious organization has not provided the office with a copy of their IRS 501C (3), they will receive an affidavit each year to be filed for renewal. Affidavits were mailed to all non-profit organizations that were exempt for the previous tax year. These applicants need only update the information, sign, date, and return their affidavit by the last business day in February. Postcards were mailed to all individuals with Personal Exemptions that were exempt for the previous tax year. If any of the information needs to be updated contact the County Assessor's office.

Contact the Yavapai County Assessor's Office for qualification and deadline information. Please call (928) 771-3220 in Prescott or (928) 639-8121 in Cottonwood; both offices are open Monday through Friday 8:00 a.m. through 5:00 p.m. Offices are closed on Weekends and Holidays.

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CITY COUNCIL AGENDA BILL

AB 2078
June 14, 2016
Regular Business

Agenda Item: 8b

Proposed Action & Subject: Discussion/possible action regarding the approval of certain contract documents with the Sedona Chamber of Commerce and Tourism Bureau for destination marketing and tourism promotion services for FY2017, including a Marketing and Product Development Plan, Performance Measures document, and Tourism Promotion Budget.

Department City Manager

Time to Present 30 minutes

Total Time for Item 90 minutes

Other Council Meetings March 14, 2013, July 31, 2013, September 17, 2013, October 8, 2013, February 11, 2014, May 13, 2014, June 10, 2014, October 29, 2014, February 24, 2015, November 10, 2015

Exhibits

- A. FY16/17 Marketing & Product Development Plan, Performance Standards, and Tourism Promotion Budget
- B. PowerPoint Presentation
- C. 3rd Quarter Tourism Promotion Report for FY16
- D. Financial Audit FY15, July 1, 2014 – June 30, 2015
- E. Original FY2014-2015 Contract

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 2,009,828
		Amount Budgeted
		\$ 1,734,919 (FY17) + \$274,909 (FY16)
City Manager's Recommendation	Discuss, consider any necessary changes and approve contract with the Sedona Chamber of Commerce and Tourism Bureau.	Account No. General Services (Description) Operating Budget Accounts 10-5245-01-6722 and 10-5245-01-6731
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: On June 10, 2014, the City Council approved a service contact with the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) for destination marketing, product development, and operation of the Visitor's Center. That contract was for three years; the initial year (FY15) and two automatic renewals (FY16 and FY17). Although there

are provisions for automatic contract renewal, the agreement still requires SCC&TB to obtain City Council approval each year of the new annual destination marketing plan, performance standards document, and new fiscal year budget.

The purpose of this agenda item is to request City Council's approval of the FY16-17 destination marketing plan, the FY16-17 performance standards document, and the FY16-17 budget. These documents are included as Exhibit A. It is worth noting that the FY17 proposed budget includes substantial new allocations for product development initiatives.

The following supporting documents are also included in the packet:

- Exhibit B - PowerPoint presentation submitted by the SCC&TB for the June 14, 2016 meeting
- Exhibit C - 3rd quarter SCC&TB performance report to the City, covering July 1, 2015 – March 31, 2016
- Exhibit D - financial audit for the first full contract year, July 1, 2014 through June 30, 2015, Per the original contract, a full financial audit of the SCC&TB for the first year of the contract was a new requirement and that report was due December 31, 2015
- Exhibit E - original underlying contract document between the City and SCC&TB for the term July 1, 2014 – June 30, 2017

The budget submitted by the SCC&TB for FY17 is \$2,009,828. This includes 55% of the projected bed tax collections for FY17, which is \$1,734,919, plus an additional \$274,909 from the anticipated FY15-16 collections that will be paid in FY17. According to the contract terms, 55% of any bed tax collections that exceed the projected budget will be paid to the Chamber as a "true up" at the end of the fiscal year. Because the City estimates that will be an additional \$274,909 for FY15-16, the SCC&TB has also included that amount in their FY17 budget. This provides transparency in how the SCC&TB plans to use these previous year's collections, since they will be spent in FY17. Explanations of significant budget variances from the current year have also been provided in Exhibit A, Appendix D.

Community Plan Consistent: ☒Yes - ☐No - ☐Not Applicable

Section 7 (page 89) of the Community Plan addresses Economic Development. One of the key goals is to preserve and enhance Sedona's tourist based economic sector. The section of the Community Plan acknowledges that economic development in Sedona has been largely shaped and defined by tourism. In 2012, the Nichols Tourism Group prepared a market research study for the Sedona Lodging Council and identified that the tourism industry employed 8,900 jobs and tourism spending contributed approximately \$439 million to the local economy. Since the City of Sedona does not assess a property tax, its primary revenue sources are sales and bed tax.

While the Plan encourages diversification into other economic sectors, it also recognizes that Sedona has been and will continue to be a visitor-driven economy.

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): Adjust overall budget allocations between the three service areas.

MOTION

I move to: approve Exhibit A which includes the Fiscal Year 2017 Marketing and Product Development Plan, Performance Measures Document, and Tourism Promotion Budget. These serve as supporting documents to the existing contractual agreement between the Sedona Chamber of Commerce and Tourism Bureau and the City of Sedona, for FY2017 tourism promotion services.

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DESTINATION MARKETING PLAN

FISCAL YEAR **2017**



The SCC&TB is an accredited organization with the Destination Marketing Association International. This positions Sedona Chamber of Commerce & Tourism Bureau in the top 10% of elite DMOs to achieve this highest honor in best practices.

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- A. Long-Term & Short-Term Goals
- B. Performance Standards
- C. Program of Work
- D. Contractual Budget

BOARD OF DIRECTORS

Linda Goldenstein, Chairman, Goldenstein Gallery
Lonnie Lillie, Vice Chairman, Best Western PLUS Arroyo Roble Hotel
Marc Sterling, Treasurer, Sterling Financial Services
Stephanie Giesbrecht, Secretary, Verde Valley Medical Center
Joel Gilgoff, Immediate Past Chairman
Desiree Brackin, Brackin Benefits
Al Comello, Comello Media Services
Whitney Cunningham, Aspey, Watkins & Diesel Attorneys at Law
Darla DeVille, APS
Jeremy Hayman, Sedona Golf Resort
Greg Hanss, L'Auberge de Sedona
Mike Hermen, Pink Jeep Tours
Ralph Woellmer, Matterhorn Inn & Shoppes

STAFF

Jennifer Wesselhoff, President and CEO
Michelle Conway, Director of Marketing
Sachiko Sado, Director of Tourism Development
Donna Retegan, Director of Visitor Services
Janeen Trevillyan, Director of Member Services
Debbie Ellington, Director of Finance
Kegn Moorcroft, Public Relations Manager
Sheryl Curtis, Digital Marketing Manager
Brenda Andrusyszyn, Visitor Center Manager
Cheryl Shipe, Sales Manager
Joanne Pineau, Office Manager

EXECUTIVE SUMMARY

The Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) takes great pride in our role as the official Destination Marketing Organization (DMO) leading the worldwide efforts of branding and marketing the greater Sedona area as a tourism and small meetings destination. The SCC&TB is also charged with ensuring the economic vibrancy of Sedona and therefore positions Sedona as a premiere destination to live, work, play and start a business.

As a non-profit agency, we differ from other agencies by generating revenue for other public agencies and the destination as a whole. The SCC&TB operates distinctive business units, including the Sedona Chamber of Commerce, the Tourism Bureau and the Film Office, and owns the Sedona Marathon Event.

In Fiscal Year 2016 (July 2015 – June 2016), our destination services mission was to implement a dynamic brand strategy for Sedona. An elevated brand was created with award-winning photographic and video assets. A new brand standard was established with a correlating published guide that was utilized for all creative development. Sedona was represented overall in a sophisticated way that mirrored its depth, majesty and extraordinary scenic beauty.

In 2015, Sedona experienced record visitation, hosting 2.8 million visitors throughout the year. Many of these visitors stayed for multiple days, and when these overnight stays are taken into consideration, there were 4.7 million visitor days attracted to the area. This represents a 6.1% increase from 2014 and a 10% increase from 2012.

In Fiscal Year 2017, (July 2016 – June 2017), the SCC&TB will:

- Continue to market Sedona only during need seasons (summer and winter).
- Focus on quality over quantity, by promoting Sedona to new markets (Tucson – who will be inclined to overnight) and targeted demographics (higher income households).
- Increase sales efforts to bring in mid-week and need-season business.
- Integrate our brand across SCC&TB departments to increase cohesion of the brand, and to increase connection with all target audiences.

The result will be a deeper, stronger brand; generation of local pride; and, maintenance of the economic tourism base that was established in 2015.

Most importantly, we are now refining the destination management strategy. We've seen tremendous success over the past two years, but has there been a cost to this success? By allocating nearly 20% of our public funds to tourism product development, we will be poised to reach the critical balance of maintaining the economic vibrancy of our core industry (through marketing/communications/sales) while mitigating this same industry's impacts on our community (through product development).

This plan details the Destination Services strategies for the next fiscal year (FY-17), and provides a springboard to prosperity for years to come.

THE SEDONA CHAMBER OF COMMERCE & TOURISM BUREAU

The SCC&TB is a public/private partnership between businesses and organizations that wish to directly benefit from the products and services available to partners. The City of Sedona and the Sedona lodging industry are critical funding partners. Based on city ordinance implemented in January 2014, 55% of the bed tax (3.5%) collected shall be allocated to the contracted destination marketing organization.

The SCC&TB's mission centers on creating and maintaining economic vibrancy through business retention, attraction and diversification while attracting leisure and business visitors to fill nearly 4,000 rooms that exist in the Sedona area (including timeshares).

The SCC&TB acts as a catalyst in the development of tourism promotional programs designed to increase positive awareness of Sedona, increase the number of visitors who overnight, increase their average length of stay, and increase their retail spending, thereby increasing tourism revenues.

In addition, the SCC&TB plays an important role in advocacy, business retention and business development. The programs offered by the SCC&TB focus on the needs of our nearly 1,000 partners, and range from local, statewide and regional advocacy, business exposure and education.

VISION

Sedona, with its legendary red rock beauty, is a world-class, year-round destination providing inspiring arts and culture, exhilarating outdoor adventure and wellness in a friendly environment.

MISSION

To enhance the economic vitality of Sedona and to attract visitors by promoting Sedona as the world's most desirable destination for residents, businesses and travelers.

CORE VALUES

- Professionalism
- Accountability
- Community-minded
- Partnership-oriented
- Innovation
- Dedication
- Effectiveness
- Exceptional customer service

STAKEHOLDER PROMISE

We promise to provide our stakeholders opportunities to build and grow their business.

VISITOR PROMISE

We commit to providing memorable visitor experiences.

BRAND PROMISE

Sedona will change you.

DESTINATION MANAGEMENT

Destination Marketing Organizations (DMOs) today are involved in more than just destination marketing, sales and communications. Destination management involves coordinated and integrated management of the destination mix (attractions and events, facilities, transportation, infrastructure, and hospitality resources).

Destination management is the new era for DMOs in which they perform a more holistic set of roles in all parts of tourism in the destination. They are not merely “promotion or sales agencies” but leaders and coordinators in every aspect of tourism.

Effective destination management requires a long-term approach based upon a platform of destination visioning and tourism planning. The planning should be guided towards goals, objectives, and specific projects that promote the sustainability of tourism.



SUSTAINABLE DESTINATION ASSESSMENT & ACTION PLANNING



GLOBAL SUSTAINABLE TOURISM COUNCIL

Setting tourism as a priority sector for strategic and sustainable economic growth, the SCC&TB alongside federal and state land managers, are supporting sustainable development and management of the Sedona tourism destination. The SCC&TB is now taking initial steps towards a systematic approach to destination sustainability in Sedona through participation in the Global Sustainable Tourism Council’s (GSTC) Destinations Program.

The GSTC is the world’s leading industry standard setting body for sustainability in tourism and is sponsored by the United Nations World Tourism Organization. Through this program, Sedona will undergo an assessment that will inform current sustainability risks and recommendations for improvement to align policy and practice with the GSTC Criteria for Destinations. After this assessment, Sedona will be one of only two destinations in the country that will have reached this high standard.

“Sustainability” is a journey, not a destination in itself, and the work to implement the GSTC Criteria will never be complete. Sustainable destination management will require continuing commitment and ongoing collaboration among wide-ranging stakeholders in everyday decision-making. Everyone in Sedona must work together to sustain tourism resources and quality of life for local residents.

TOP TRAVEL TRENDS

The goal of any destination in today's climate should be to focus on differentiating themselves by adapting to the most popular trends in travel in order to provide vacationers with exactly what they want.

MORE MULTIGENERATIONAL TRAVEL

Three generations traveling together isn't new, but it's becoming far more common than ever before. "We've seen a 20% jump in the last year in requests for multigenerational vacations," says Nigel Osborne, Vice President of Sales and Business Development for the luxury European specialist Key Tours Vacations. Hotels, particularly in Europe, are revamping their properties to create multi-room suites to compete with apartment and home rentals for these larger groups. *Frommers.com*

WELLNESS TRAVEL REMAINS TOP TREND

Wellness travel is growing 50% faster than regular travel, according to a recent survey performed by the Global Wellness Summit. And while wellness tourism was previously defined as travel for the purpose of promoting health and well-being through physical, spiritual or psychological activities, the paths to "wellness" are becoming much broader. *SpaFinders' State of Wellness Travel Report* indicated that Gen Xers (over Baby Boomers) are more interested in having a full range of wellness components to choose from such as: outdoor adventure programs, environmentally-friendly properties, and properties that "do good" for the local community or have voluntourism programs. *USTA.org*

"EXPERIENTIAL" OVER "SIGHTSEEING-BASED" TRAVEL

Many in the travel industry feel that travelers are gravitating to trips that revolve around interpersonal exchanges, and less about checking famous sights off a bucket list. Paul Kao, CEO of Tripverse.com says "People appreciate and prefer experiential travel, by which I mean having a unique experience rather than just going to the landmarks, experiencing a destination like a local, or seeking a secondary city as a destination." *Frommers.com*

NATIONAL PARKS HIGHLIGHTED

2016 marks the 100th anniversary of the National Park Service, and there are plenty of commemorations planned at the 407 national parks leading up to the August 25 birthday. In 2015, the Park Service launched "Find Your Park", a public awareness and education campaign to celebrate the centennial. *USAToday.com*

SPENDING MORE BECAUSE "IT'S WORTH IT"

1 in 3 travelers are planning to spend more in 2016 than they did in 2015. Among those who plan to increase their travel budget, 49% said they will do so "because I or my family deserve it." 31% said they would spend more on travel because it's important for their health and well-being. *TripAdvisor.com*

NATIONAL OUTLOOK FOR TRAVEL & TOURISM

TRAVEL TRENDS, USTA

The U.S. Travel Industry Association (USTA) has reason to be optimistic about the current and coming year. Growth in the travel sector of the U.S. economy remained positive, despite the impact on meetings business due to increasing leisure demand, according to the latest Travel Trends Index. U.S. Travel Association Senior Vice President for Research David Huether said "Domestic leisure travel is likely to buoy summer travel expenditures, and keep overall travel growth in positive territory for the next six months."

Meanwhile, international inbound travel trailed the domestic market for the eighth straight month in February, due to the strong dollar's suppressive effect on foreign buying power. The weight of the dollar will likely cause international inbound travel growth to hover around 1 percent into the second quarter of 2016.

LEISURE TRAVEL

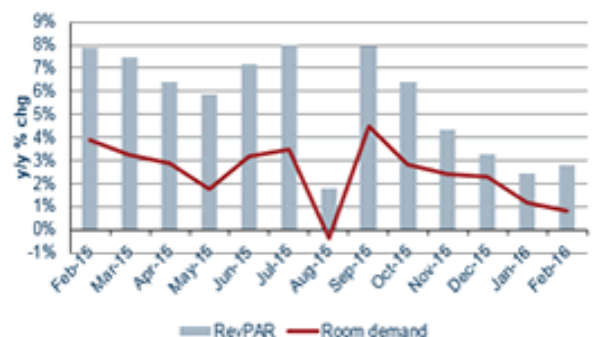
Oxford Economics study of international and domestic travel found that TripAdvisor's breadth of content, trusted consumer reviews and booking features not only influenced travel decisions but also generated incremental travel. The Global Economic Contribution of TripAdvisor report revealed that in the U.S. alone, TripAdvisor influenced \$85.7 billion in travel spending in 2014—an amount equal to two-thirds of all U.S. automotive exports that year—and is directly responsible for generating \$20.5 billion in travel spending. The study claimed that in the U.S., TripAdvisor content influenced 17 percent of inbound trips and almost 6 percent of all domestic travel in 2014.

In addition, TripAdvisor generated an increased number and length of trips. In 2014, TripAdvisor generated an additional 8.4 million trips and an additional 64.2 million tourism nights in the U.S.—trips that would not otherwise have taken place.

LODGING INDUSTRY

Moderate hotel supply growth is expected through 2016 which could keep the hotel industry's key performance indicators in check, according to a report from GlobeSt.com. The report forecasts 1.6 percent supply growth which could translate to slower revenue growth. "Following several years of rising occupancy, new supply will finally accelerate sufficiently to balance demand," according to the report.

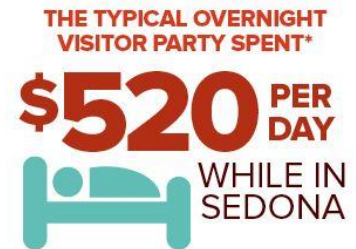
Lodging Performance



Source: STR Inc.

IMPACT OF SEDONA TOURISM

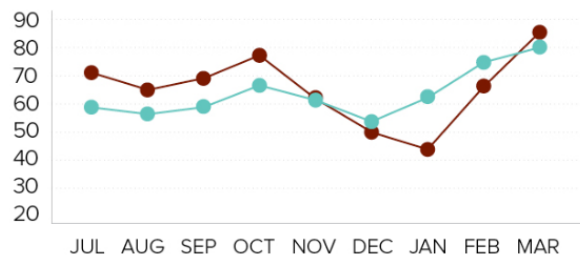
Today, much of the Verde Valley economy is heavily dependent on the hotel, tourism and small meetings industry. The area's economic vitality depends upon a robust volume of visitation and quality visitors to the region. Because of the importance tourism plays in the overall economic health of the region, the SCC&TB provides a vital public service. Tourism is the primary economic generator in Sedona. In fact:



* BRC Sedona Visitor Survey 2015

SEDONA TOURISM INDUSTRY MEASUREMENTS (JULY 2015 - MARCH 2016)

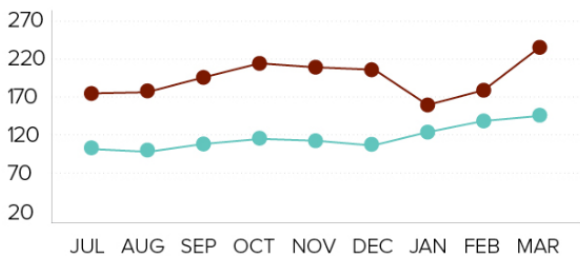
OCCUPANCY



OCCUPANCY COMPARISON

● SEDONA+ ● ARIZONA

AVERAGE DAILY RATE



ADR COMPARISON

● SEDONA+ ● ARIZONA

Source: Smith Travel Research, Inc. Republications or other re-use of this data without the express written permission of STR is strictly prohibited.

DESTINATION SERVICES & FUTURE TOURISM

Positioning Sedona as a premiere destination is a balancing act, distinguished by built-in opportunities, challenges and the constant need for innovation. At the SCC&TB, we have a track record of working with our industry partners to build upon past successes, while simultaneously embracing change.

We seek to ensure that the sales and marketing platform strikes the right balance between communications that engage, inspire and educate. We will continue to strive for breakthrough communications, and utilize all available resources to enhance and energize messages about Sedona especially through video and images.

With our future in mind, we will strategically balance between maintaining Sedona's brand awareness which has taken years to build, while also developing the products that will assist in mitigating tourism impacts on our community.



Marketing, sales and public relations efforts are at the core of the SCC&TB's mission of "enhancing the economic vitality of Sedona and attracting visitors by promoting Sedona as the world's most desirable destination for residents, businesses and travelers." Strengthening the brand through integrated strategies that utilize our larger "connect" theme will be a priority in the coming year.

This "connect" theme will spread across all functions of the Tourism Bureau...and it won't stop there. Our aim is to connect with partners, stakeholders, meeting planners, tour operators, the media, visitors, elected officials and residents. By creating a connection, we will build credibility, trust and confidence.

LONG-TERM GOALS

DESTINATION SERVICES

1. Increase economic impact of tourism thus improving overall revenue to the City of Sedona.
2. Position Sedona as a premiere tourism destination for leisure and group business.
3. Ensure long-term tourism sustainability.
4. Actively engage in product development efforts to link, enhance and create amenities that enrich the tourism experience and contribute to quality of life for residents.
5. Maintain trained, engaged and vibrant volunteer core.
6. Provide excellent customer service that exceeds visitor and client expectations.

SHORT-TERM GOALS FY-17

DESTINATION SERVICES

Marketing and Public Relations

1. Increase visitor spending in Sedona with a focus on mid-week, off-peak seasons.
2. Reinforce Sedona's Unique Selling Propositions: Arts/Culture, Wellness, and Outdoor Adventure.
3. Embrace brand campaign and develop integrated ways to bring the brand to life.
4. Utilize audience and industry research to inform decision-making.
5. Continue to investigate new and emerging markets and strategies.
6. Increase efforts to further the Tourism Product Development Program.

Group/Meeting and Travel Trade Industry Sales

1. Position Sedona as the premiere destination for small meetings in Arizona.
2. Position Sedona as one of the world's top leisure destinations for national and international travelers through travel trade tour programs.

Visitor Services

1. Provide the highest level of customer service at Visitor Center and Call Center.
2. Incorporate brand philosophy at the Visitor Center.

PERFORMANCE STANDARDS FY-17

DESTINATION SERVICES

Marketing

1. Generate no less than a total of 90,000 inquiries from targeted customers in domestic and international markets.
2. Generate a minimum of 1,200,000 unique visitors to VisitSedona.com.
3. Generate 60 million overall paid impressions for Sedona.
4. Generate \$250,000 in partnership cooperative revenue.
5. Reach 1,000,000 views on Sedona destination videos.

Public Relations

1. Generate 2,000 travel articles about Sedona.
2. Reach a minimum of 200 million impressions through editorial placement and social media.
3. Generate publicity with an equivalent advertising value of at least \$10 million.
4. Assist 500 media professionals.
5. Grow overall social media fan base by 15%.

Group/Meeting Sales

1. Generate 20,000 room night opportunities from group sales Request for Proposals resulting in a potential economic impact of \$3.5 million with a sales tax opportunity of \$250,000.
2. Conduct customized Familiarization (FAM) tours for 30 pre-qualified meeting planners.
3. Identify and meet with a minimum of 300 professional meeting planners with a demonstrated propensity for mid-week/off-season business.
4. Generate 10,000 page views for Meetings and Sales web pages on VisitSedona.com.

Travel Trade Industry Sales

1. Generate 50 domestic and international hotel leads and service request leads.
2. Produce 850 service request referrals for Sedona tourism partners.
3. Conduct 20 customized Familiarization (FAM) tours for pre-qualified national and international travel trade industry professionals.
4. Identify and meet with a minimum of 350 travel trade industry professionals at tradeshow and sales missions to position Sedona as a premiere leisure destination.
5. Generate 6,000 page views for Travel Trade web pages on VisitSedona.com.

Visitor Services

1. Manage the Uptown Visitor Center seven days a week, 59.5 hours per week (excluding two holidays) with professional staff and trained volunteers.
2. Manage and assist 300,000 walk-in visitors.
3. Manage and assist 7,500 visitor inquiries via phone and email.
4. Produce and distribute 250,000 Experience Sedona Visitor Guides.

MARKETING PLAN DEVELOPMENT

The SCC&TB goes through a very extensive development process as it relates to our annual marketing and strategic planning process.

1. Review immediate and past programs and results – what worked, what didn't, and what was the cost effectiveness as it relates to measurement goals and outcomes.
2. Evaluate overall marketing trends and marketing trends specific in the travel and tourism industry. We meet and speak with peers from other DMOs and marketing vendors and learn best practices.
3. Meet with affinity groups who represent Sedona's leading tourism sectors to see how they're promoting themselves, what they view as opportunities, and what they see as areas for improvement. We brainstorm ways to work together and promote Sedona in a way that's relevant.
4. Analyze travel industry research including but not limited to Smith Travel Reports (STR), Sedona Visitor Surveys, AOT research, statewide research and trend reports, PRIZM studies and the Long Range Tourism Development Plan.
5. Meet with representatives from the Arizona Office of Tourism and other Arizona DMOs to investigate partnership opportunities.
6. The plan development moves on to the Situation Analysis, which looks at the definition of our tourism product; a SWOT analysis which requires us to identify our Strengths, Weaknesses, Opportunities and Threats; and, critical factors for success as it relates to Sedona tourism.
7. With the long range goals in mind (from the SCC&TB's long range strategic plan), we assess and refine our annual goals. We also define the Performance Standards which assist us in gauging our progress throughout the year.
8. The plan continues with an analysis and definition of our Brand Strategy, and moves onto identifying our target audience demographics and psychographics.
9. We then develop strategies and specific tactics of execution that will help us reach our goals.

RESEARCH

Cutting-edge research programs enable Sedona to remain ahead of current and future market conditions. Through surveys of stakeholders, travel consumers, and visitor intercepts to Sedona and the region, the SCC&TB will continue to monitor various trends and changes, in Yavapai and Coconino Counties, and within the state travel industry. These findings are then integrated with resources and form the basis of a strategic roadmap that guides all of our communications efforts.

One of the primary aims of the research initiative is to become familiar with the mindset of tomorrow's business owner and traveler. Understanding the business and travel environment is important, but having a deeper and richer grasp of stakeholder and community desires for product and quality of life – as well as consumers both Leisure and Business – is critical to retaining a strong economic balance, and maintaining current visitors while managing visitor growth. A priority of the research initiative will be to stay abreast of stakeholder, resident and consumer perceptions, attitudes and behaviors regarding the Sedona brand.

Studies:

1. Smith Travel Research – Monthly hospitality trend reports
2. Smith Travel Research – Annual hospitality daily trend reports
3. Sedona Visitor Survey - Monthly online surveys; bi-annual reports
4. Conversion & ROI Study – Visitor guide conversion study
5. Sedona Visitor Intercept Survey
6. PRIZM Database Analysis
7. Travel Pro Tour Tracker– Annual Tour and Travel Product Inventory
8. RKMA Travel & Tourism Market Research

SITUATION ANALYSIS

TOURISM PRODUCT

Sedona's overarching "reason to visit" is its stunning scenic beauty, which draws travelers from around the world. Additional attractions fall under the following three Unique Selling Propositions (USPs):

ARTS & CULTURE

- City's vision is to be a City Animated by The Arts
- Galleries: 80+ galleries and shops
- Artistic Community: resident and visiting artists
- Events: large variety of weekly, monthly and ongoing annual events
- Culinary: variety of dining options and unique regional fare
- Area wineries: wine tastings and tours
- Native American culture and heritage
- Live entertainment
- Performing arts
- Film and Western history
- Art in Public Places
- Nearby heritage sites and national monuments

WELLNESS

- Volume of quality resorts, spas and luxury offerings
- Metaphysical & Spiritual: world-renowned offerings including products, services, treatments and education
- Personal Enrichment: exploration and education
- Yoga classes
- Meditation retreats
- Eco-Tourism
- Vortexes
- A feeling of connectedness

OUTDOOR ADVENTURE

- Hiking: a system of more than 200 miles of accessible, interconnecting trails
- Biking: 200 miles of single track available; Sedona and surrounding areas are very bicycle-friendly for road bikes
- Air Tours: hot air balloons, helicopters
- Land Activities: Jeep, ATV, Segway, Hummer, OHVs
- Water: river tours, fishing, swimming
- Golf: public courses
- Birding: opportunity to deepen engagement
- State Parks and nearby National Parks
- Scenic drives: Oak Creek Canyon, Red Rock Scenic Byway, Dry Creek Scenic Road
- Stargazing

S.W.O.T. ANALYSIS

STRENGTHS

- Renowned haven for outdoor adventure lovers
- Recognition as an art destination
- Recognition as health, wellness, alternative medicine destination
- Diversity (geographic, businesses)
- Great weather, four mild seasons
- Red rocks, scenery, photo opportunities
- Sedona name recognition
- Location (geographic proximity)
- Friendly community
- Small town feel
- Knowledgeable staff and volunteers at the Visitor Center
- Above average lodging performance (occupancy and ADRs) and growth
- Increased market share of Northern Arizona overnight visitation
- Strong attraction of older, high income visitors
- High level of repeat visitation to destination – 70%
- Strong SCC&TB generation of private sector revenues for tourism-related purposes
- Very strong visitor center connection – almost 300,000 visitors serviced annually
- Significant additional commitment from City to build/expand visitor industry
- Variety of tourism products
- Love for the destination by residents and visitors (“Red Rock Fever”)

S.W.O.T. ANALYSIS

WEAKNESSES

- High labor demand with limited workforce supply
- Airport access and proximity
- Public transportation (including access to USFS trailheads)
- Relationship with USFS – recreational use versus land stewardship
- Limited regional integration of products and experiences
- City bed tax rate at upper end of competitive destinations
- Limited locations and parking for motor coach and commercial tour groups that are allowed to visit
- Distinct high/low seasons for year-round tour series to book Sedona
- Limited knowledge of travel distribution system by local businesses
- Viewed by travel industry professionals as “too expensive”, “no room availability” or “too many regulations to bring visitors”
- Limited air services in and out of Flagstaff
- Minimal meeting space
- Tax discrepancy with lodging outside of city limits and timeshares
- High cost of living due to home prices

S.W.O.T. ANALYSIS

OPPORTUNITIES

- Expand range of events, focusing on those that can be enhanced or have extended duration
- Development of a festival/event venue
- Capitalize on Phoenix convention market – pre/post event connection and meeting planners in Phoenix
- Exchange rates / world economy
- Population growth in Southwest / AZ
- Sustainable tourism and connection to Sedona
- Sedona's product correlation with National/International trends in travel
- Expanded range of public transportation
- Deepen attraction of meetings niche segments
- Product development into areas of tourism – wellness, culinary, medical tourism
- Create or establish visitor/motorcoach-friendly parking areas
- Expanding visitor origin markets into emerging markets
- Maintenance of trails and trail amenities
- Multi-modal/walkability
- Enhanced parking availability
- Legislative changes to short-term rentals

S.W.O.T. ANALYSIS

THREATS

- Reductions in state/AOT funding, limiting international representation in mature markets
- Traffic congestion negatively impacting visitor/resident experience
- Competition from other destinations – significant expansion in their destination marketing budgets
- Arizona destinations positioning Sedona as a day trip destination
- Immigration reform – negative perceptions directed to Arizona
- Traffic, ADOT road changes (i.e. – closing of 89A)
- Internet: Managing user-generated content
- USFS: Permitting process and minimal commercial permits
- USFS: Potential closures of recreational sites due to fire/flooding
- Perceptions to the U.S. and Arizona as a destination by foreign markets
- Air Services (cancellations/changes) to gateway cities
- Legislative changes to short-term rentals

CRITICAL FACTORS FOR SUCCESS

1. Branding: Implement a cohesive and integrated brand strategy for Sedona.
2. Product Development: Implement a plan that investigates products that help drive business to Sedona in off-peak seasons and mid-week, and that mitigate the negative impacts of tourism.
3. Partnering: Continue to identify and develop local, regional and statewide partnerships.
4. Competition: Remain relevant and competitive in the tourism marketplace.
5. Consensus Building: Work with stakeholders to inform community about value of tourism.

TOURISM PRODUCT DEVELOPMENT

Tourism product development has become a stronger focus for the SCC&TB over recent years. The shift towards product development has allowed us to move from asking the traditional question of: This is our product. How do we sell it? To asking a more strategic question: This is our target customer. What product do they want? As we're finishing a successful year of Sedona tourism, we find that there is an even greater need now for product solutions to mitigate the impacts on our community. Therefore, in FY-17 we will allocate nearly 20% of our contracted public funds solely to product development.

The Sedona Tourism Product Development Committee (TPDC) will continue to investigate a range of potential initiatives that could help enhance and expand the destination's appeal. They can be categorized into one of three broad approaches:

Create: This is typically the first area that destinations look to when thinking of proactive product development and can be very powerful. Whether new attractions, museums, central convening areas or compelling events, these efforts can introduce a whole new experience for the destination. The challenge with the create approach is that it can be quite expensive.

Link: In many instances this is an area that holds the greatest potential as it focuses on existing products and typically requires limited resources to implement. Too often existing products operate in silos, not linking and integrating experiences that could resonate with visitors. Concepts that could build greater integration among heritage, outdoor recreation, culinary and other powerful segments will likely evolve.

Enhance: When destinations think about product development they often overlook existing products that could play a greater role but have been allowed to lose much of their appeal through lack of reinvention and enhancements to speak to today's visitors. Whether art experiences, the Western Gateway or active outdoor experiences, this area would look to ways to enhance existing products to be synergistic with target Sedona customer segments.

The TPDC will consider Sedona's current product mix, as well as future targeted customer segments, and consider how these Create, Link and Enhance approaches could be utilized within Sedona and the broader region.

Interest in Tourism Product Development continues to grow, and subsequently, new initiatives must be able to address each of the following four pillars of criteria in order to be executed upon:



Secondarily, initiatives must be able to address our current Focus Areas of Arts/Culture, Transportation and Wellness. Wellness is the latest Focus Area; it is a natural part of our brand and will be an area of further exploration in FY-17. Transportation will continue to be a major priority, and significant funds will be set aside to address the outcomes of the Transportation Master Plan.



In the coming year, the TPDC will continue to review, evaluate and potentially assist prospective product concepts being pursued by other development entities. The committee will seek to collaborate further with the City of Sedona as an initiating point for future product development and work to help complement the Community Plan.

Following are the product development initiatives that are currently in-the-works and that will continue into FY-17 as long-range programs. The TPDC typically assists new product development in one of four ways:

1. **Development** - They serve as the lead developer of the program.
2. **Advocacy** - They can be a voice of advocacy for projects that address the committee's mission and pillars, speaking with Sedona political and business leaders, as well as area residents. Often this type of support can be critical in moving a project forward.
3. **Technical Assistance** - Technical assistance (may or may not be funded) can be provided for products looking to more extensively evaluate market or financial feasibility, or to better evaluate potential alignments with other products and services already positioned in Sedona. Technical expertise is provided by the members of the committee.
4. **Funding Assistance** - Projects could receive funding assistance through the TPDC.

Current and Evolving Product Development Initiatives				
	Developer	Advocacy	Technical Assistance	Funding Allocated
Global Sustainability Tourism Assessment	X	X		X
USFS Trail Funding: Community Trail Renovation and Enhancement		X		X
USFS Trail Funding: Adopt A Trail Program	X	X		X
USFS Trail Funding: Hiking Book	X	X	X	X
Secret Seven	X	X	X	X
Sedona Verde Valley Geotourism	X	X	X	X
Restaurant Week Events	X	X	X	X
Holiday Central Sedona / Winter Wanderland Campaign	X	X	X	X
Sedona Performing Arts Center: Assessment of venue/equipment & establishment of SPAC		X	X	X
Public Art Map & Web App	X	X	X	X
Transportation Master Plan & Solutions		X	X	X
Walk Sedona Program	X	X	X	X
Bike Share Feasibility Program	X	X	X	
Community Focus Areas		X	X	

TOP TOURISM PRODUCT PROGRAMS

GLOBAL SUSTAINABILITY TOURISM ASSESSMENT



The Global Sustainable Tourism Council will conduct a Destination Sustainability Assessment for Sedona.

The GSTC is the world's leading industry standard setting body for sustainability in tourism. The GSTC is sponsored by the United Nations World Tourism Organization. Central to the GSTC's work are the two current sets of GSTC Criteria—the global standards for (1) sustainability of destinations (GSTC Criteria for Destinations) and (2) sustainability of tourism businesses (GSTC Criteria for Hotels & Tour Operators). These global standards are the world's authoritative guiding principles and minimum requirements that any tourism business or destination should aspire to reach in order to protect and sustain the world's natural and cultural resources, while ensuring that tourism meets its potential as a tool for conservation and economic development.

The GSTC Destination Sustainability Assessment is an opportunity for destination managers to learn their current sustainability status according to the leading international standard, the GSTC Criteria for Destinations. The proposed GSTC Assessment involves 5 days in the destination, including site visits, detailed analysis of the destination's documented policies, and intensive liaison with destination managers and engagement with the widest practicable range of cross-sector stakeholders responsible for governance and implementation in the areas covered by the GSTC Criteria. An experienced GSTC destination expert guides destination managers through the GSTC Destination Criteria and Indicators, identifying sustainability risks in current destination management, economic, cultural, and environmental policies and practice, and highlighting opportunities for improvement. This project will commence in summer 2016.



USFS TRAIL FUNDING: COMMUNITY TRAIL RENOVATION & ENHANCEMENT: Chimney Rock, Thunder Mountain, Andante and Sugar Loaf community trails

The citizens and government officials of Sedona have a unique responsibility and opportunity to help protect our highly popular community trail system. Most Sedona businesses cater to, and receive a significant portion of their revenue from the visitor population. There is no question that the red rocks' recreational opportunities are a main attraction for our "guests" and residents. It is estimated that 61% of the 2.84 million forest visitors in FY 2015 used the area trails during their visit. In a recent survey, Sedona residents rated trails as the number one recreation asset for the City. Indeed, our magnificent trails are one of the main reasons people have chosen to live here.

Unfortunately, our trails suffer from degradation and decline due to natural processes and human use. This lowers the quality of recreation, and contributes to negative impacts on water quality and wildlife habitat.

The federal budget allocation for the Red Rock Ranger District (RRRD) of the Coconino National Forest is woefully inadequate to maintain current trails and develop new ones - and is declining.

Project Description

The USFS has identified the trail system in the Little Elf and Chimney Rock area as a high priority for trail renovation and reconstruction. This area, within the city limits, includes some of the original Sedona trails built more than two decades ago. Soils are sandy and erosive and years of high use have taken a toll. Sustainable reroutes, increased drainage structures, and enhanced signage are sorely needed. The project will renovate the trails to improve the quality for residents and to ensure visitors using the trails will not get lost.

A favorite "neighborhood" trail system with many convenient access points, it is seeing increased visitation from non-locals. Many sections of these trails have suffered from less than adequate construction procedures when originally built. Drainage areas are either non-existent at worst or sub-par at best. Considerable work by trained personnel is needed to bring this trail system up to current standards that will significantly improve the user experience and help resist further degradation.



USFS TRAIL FUNDING: ADOPT A TRAIL PROGRAM

Sedona Chamber of Commerce & Tourism Bureau will develop an "Adopt a Trail" program that will create a public / private partnership to assist in sustaining and maintaining existing trails and to assist in the development of new trails in the USFS Red Rock Ranger District.

This program will be managed by the Sedona Chamber of Commerce & Tourism Bureau, in partnership with the USFS, and private sector funds will be matched from Product Development funding.

The program will allow the private sector to sponsor a trail and financially commit \$1,000 per year with a 5-year commitment per sponsor. The Sedona Chamber of Commerce & Tourism Bureau will match private sector investment (up to \$25,000 per year). The goal of this program will be to generate 25 private sponsors at \$1,000 each for a total private sector investment of \$25,000/year, plus a match from the Sedona Chamber of Commerce & Tourism Bureau, generating \$250,000 for the USFS Red Rock Ranger District over the next 5 years.

USFS TRAIL FUNDING: HIKING BOOK

The concept behind this program is to create a product that can be sold with the proceeds donated to the USFS. This hiking book will retail for approximately \$8.00, with a cost of production at \$2.50. For every book sold, \$5.50 will be donated to the USFS for the maintenance of existing trails and development of new ones. The book is currently under development and will be sold at the Sedona Chamber of Commerce Visitor Center, at local hotels, stores, and other vendors interested in selling this product and supporting the area's trail system.



SEDONA'S SECRET SEVEN

This campaign is a marketing program that will help accomplish our goal to disperse visitor traffic to certain areas by creating a guide to "secret" gems.

The program will consist of seven categories of attractions, including but not limited to trails (hiking and biking), picnic spots, and sunset and stargazing sites. Working closely with the Forest Service, the aim is to 1) redirect visitors to lesser known areas for land preservation; 2) expand the number of visitor experiences which will encourage repeat visitation to Sedona; and, 3) engage local residents with the intent to embrace tourism.

SEDONA VERDE VALLEY GEOTOURISM



One of the most exciting new initiatives from FY-16 was the joint venture with National Geographic to develop the Geotourism Program for Sedona and the Verde Valley. National Geographic has undertaken this type of assignment in only a limited number of locations around the U.S. and the world. Sedona and the broader Verde Valley will benefit significantly as this cooperative project brings increased attention to unique regional visitor products and helps shape future development efforts in ways that will help ensure the long term sustainability of the visitor industry.

As part of this visioning process, the Verde Valley Geotourism Program seeks to capture and promote the culture, heritage and ecological diversity of the people and places within Sedona and the Verde Valley through the voices and stories of the people that live in the area. The ongoing Geotourism program will help local people express in their own words what's unique about their place through a National Geographic Society co-branded online interactive website.

November 12, 2015 marked the official launch of this website with a "Toast to Tourism" event attended by approximately 200 tourism industry partners, city dignitaries and National Geographic representatives. Nominations from locals continue to expand the site's content, and further FY-17 initiatives will be taken to further promote the site and commemorate geotourism:

- Sidebar inclusion in the annual Experience Sedona Guide, 1/4 million produced
- National Geographic logo on participants' sites driving to Sedona Verde Valley Geotourism site
- Finalization of the Destination Marketing and Branding Strategy – Centered on sustainable tourism river and land conservation, and the unique culture, nature and history of the region, in close collaboration with the Sedona Verde Valley Tourism Council (SVVTC)
- Continuation of annual "Toast to Tourism" event planned – Fall 2016
- Develop and help implement an SVVTC Organizational Strategy, Business Plan, and Funding Strategy for ongoing marketing and promotion
- National Geographic geotourism site content embedded on VisitSedona.com

RESTAURANT WEEK EVENTS

Sedona Restaurant Week will be proudly presented by the SCC&TB and the Sedona Lodging Council the week of December 1-11, 2016. This event, held during a need month, will give local foodies and visitors the chance to dine at a large selection of area restaurants. This event will be an opportunity to feature Sedona as a premier culinary destination and enhance business at a typically slow tourism time.



HOLIDAY CENTRAL SEDONA/ WINTER WANDERLAND CAMPAIGN

The SCC&TB will reinvigorate the Holiday Central Sedona event with a Winter “Wanderland” twist for the entire month of December!



Visitors will “wander” to find beautifully lit holiday trees, decorated storefronts and unique shopping options—including handmade jewelry, and one-of-a-kind arts crafts and fabulous gift ideas. Spend the entire day strolling the scenic streets of Sedona and enjoying mouthwatering restaurants along with several local wine-tasting rooms. There will be special holiday related events most days throughout the month of December including holiday lights, photos with Santa, Jingle Bell Run, breakfast with Santa, performances such as the Nutcracker, gift wrapping stations, carolers, horse and carriage rides, and so much more.

SEDONA PERFORMING ARTS CENTER: ASSESSMENT & COMMUNITY ARTS FUND

The objective of the Sedona Performing Arts Center (SPAC) Assessment & Community Arts Fund is to provide direction and process oversight to more fully integrate Sedona Performing Arts Center into the cultural and educational fabric of Greater Sedona. This project began in FY-16 and will be completed in FY-17.

The goals of the program are: 1) to provide Sedona Oak Creek Unified School District (SOCUSD) and the City of Sedona with clear, viable options for addressing SPAC's defined functional, financial and procedural impediments; and 2) to provide an efficient communications conduit between SOCUSD, the City of Sedona, local performing arts & cultural non-profits, professional performing arts & conference presenters/producers, and the supportive general public.

Through this program, we professionally engaged an experienced, respected and locally committed performing arts consultant, advocate and facilitator to assist all participant entities in securing Sedona Performing Arts Center as a fully functioning performing arts, educational and community engagement resource.

Deliverables for this project include:

- Identify and evaluate the impact of SPAC's currently identified assets, limitations, policies and procedures on the community and school district. These to include SPAC scheduling & fees, production load-in, and alcohol permits.
- Explore working options and solutions from other currently active high school-based performing arts centers in Arizona.
- Provide a meaningful and clear communications conduit for all SOCUSD, City of Sedona and local non-profit entities regarding SPAC's physical plant, its access, usage and potential full community integration for education, performing arts and entertainment.
- Research theatrical staging & acoustic suppliers, providing cost analysis and timelines for completing and/or refining current physical impediments to full usage.
- Determine and propose workable funding options for physical completions and improvements.
- Advise and oversee implementation of SOCUSD and City of Sedona approved SPAC refinements and improvements.
- Propose a multi-tiered rental & leasing fee schedule for SPAC's expanded educational, local arts, non-profit and commercial usage.
- Submit full job descriptions and compensation proposals for needed ongoing professional performing arts management and technical direction.
- Generate quarterly progress reports.

The Community Arts Fund

In March of 2015, Sedona Oak Creek Unified School District (SOCUSD) embarked on a wide-ranging re-assessment of policies and procedures regarding the Sedona Performing Arts Center (SPAC), its usage, rental fees and technical needs.

The Challenge: From SPAC's 2011 opening through mid-2015, SPAC's leasing/rental fees for local non-profit performance organizations were perceived as being prohibitively high by potential users. For non-profit performing arts organizations based in and serving the greater Sedona area, these high fees have severely limited their use of SPAC and its facilities. As a result, through September of 2015, SPAC remained vacant for over 250 days & nights each year.

While the Sedona Oak Creek United School District reviews options for SPAC pricing and procedures, and to allow the SOCUSD Board sufficient time for exploratory due diligence, the following steps were taken. In July 2015, a local body of community-focused private and public donors committed to establishing the SPAC Community Arts Fund. The initial seed donation came from the City of Sedona and the Sedona Chamber of Commerce & Tourism Bureau.

This public/private assistance fund is designed to incubate expanded community access to and usage of SPAC facilities. The established fund is specifically made available to Sedona-based nonprofit performing arts organizations in order to pay 50% of that organization's contracted SPAC rental fees on a 'per event' basis. All donations to the SPAC Community Arts Fund are held in a restricted access account within the SOCUSD accounting system, and used exclusively to cover 50% of SPAC usage fees for approved fund applicants. The following operating process was designed with and approved by SOCUSD financial & administrative personnel.

In FY-16, the Community Arts Fund totaled \$12,040.00 and three organizations have utilized the fund: Chamber Music Sedona, Sedona Chamber Ballet and Verde Valley Sinfonietta.

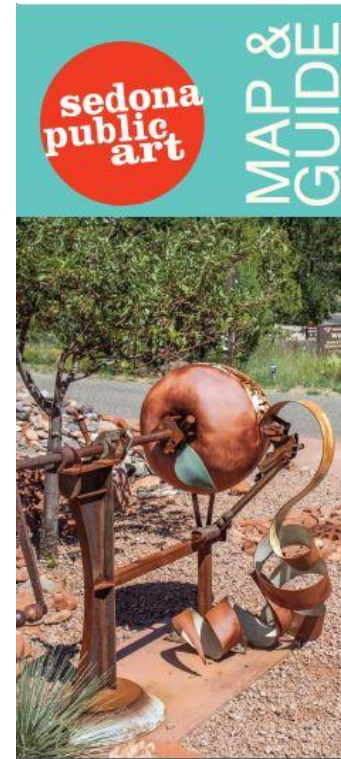
Chamber Music Sedona: For several years, CMS concerts have been held at St. John Vianney Church, West Sedona, with special events hosted at the Sedona Hilton Resort. During the current 2015-16 fiscal year, due to the available SPAC Fund assistance, two of their four concerts were presented at SPAC.

Sedona Chamber Ballet: Technical & set requirements plus the necessity of multiple on-stage rehearsals require SCB to rent SPAC for four full days prior to its three holiday performances of Tchaikovsky's 'Nutcracker.' With the benefit of the SPAC Fund, their most recent run of 'Nutcracker' closed in the black, avoiding the huge deficit of the previous year. A free dress rehearsal audience of 200 needy children was added. There are no other venue options available in Sedona for this quality of classical dance.

Verde Valley Sinfonietta: Prior to this fiscal year, VVS could only afford to budget one concert per year at SPAC. With the SPAC Fund being made available just prior to their 2015-16 concert year, VVS's entire four-concert season was performed onstage at SPAC.

PUBLIC ART MAP & WEB APP

The Public Art Map Brochure was completed in FY-16. In FY-17, the SCC&TB will bring this map to life digitally. The program brings existing assets to a heightened level of prominence; aligns with the Sedona brand as an Arts & Culture-oriented destination; and, helps art lovers find their way to one or all of Sedona's works of public art, including murals, sculptures and installations located throughout the Sedona area. This program will also link to area galleries to help increase sales in this niche.



TRANSPORTATION MASTER PLAN & SOLUTIONS

The SCC&TB understands that sustaining of our destination is rooted in the basic ability to travel to, from and around Sedona. We also realize that the strength of any destination relies on a strong transportation hub and service providers. For these reasons the future of Sedona tourism and quality of life is tied not only to local ground transportation, but also air service in Phoenix and Flagstaff. We also must prioritize good highway systems, walkability and multimodal solutions.

Another critically important transportation issue for the Sedona Verde Valley region is transportation and transportation infrastructure. The SCC&TB continues to advocate for projects in support of highway projects that bring businesses, employees, supplies and visitors to and from Sedona safely and easily. A focus on dispersing visitor traffic to less populated areas and looking at a regional approach in terms of product will be critical to managing the flow of traffic in and out of the region. The SCC&TB will continue to play a role in the city's traffic and parking studies and will support of the

In FY-16 the SCC&TB contributed \$25,000 to the City of Sedona Master Transportation Study that is currently in progress. In FY-17, the SCC&TB has set aside significant funds to help fund potential solutions recommended from the plan (scheduled to be completed in FY-17).

Sedona Gallery Art Walk

Parking
UPTOWN
 1 Sedona Heritage Museum
 2 Sedona Arts Center*
 3 Official Sedona Chamber of Commerce Visitor Center
 4 History Walk
 5 Love Africa Décor & Gallery

FLAGSTAFF
 6 The Great Southwest*
 7 Mountain Trails Gallery*
 8 Andrea Smith Gallery*
 9 AZADI Fine Rugs*
 10 AZADI Navajo Rugs*
 11 Honshin Fine Art*
 12 Honshin Fine Art*
 13 Kiyawa Glass Gallery*
 14 Rowe Fine Art Gallery*
 15 Vue Gallery*
 16 Esteban's
 17 Carre D'Artistes

SEDONA
 18 Tlaquepaque
 19 Tlaquepaque North
 20 Renee Taylor Jewelry*
 21 Tlaquepaque
 22 Lanning Gallery*
 23 Turquoise Tortoise Gallery*
 24 Lark Art Gallery*
 25 Exposures International Gallery of Fine Art

TLAQUEPAQUE
 26 Hillside
 27 Hillside
 28 Hillside
 29 Hillside
 30 Hillside

HILLSIDE
 31 Hillside
 32 Hillside
 33 Hillside
 34 Hillside
 35 Hillside

LEGEND
 15 min walk
 7 min walk

ROADS
 JORDAN ROAD
 APPLE ROAD
 OAK CREEK
 FOREST ROAD
 PORTAL LANE
 SENECA HILL ROAD
 BRIDGER ROAD

LANDMARKS
 Hummingbird House
 UPTOWN
 HILLSIDE

NUMBERS
 89A
 179

MEMBERS
 *Members of the Sedona Gallery Association

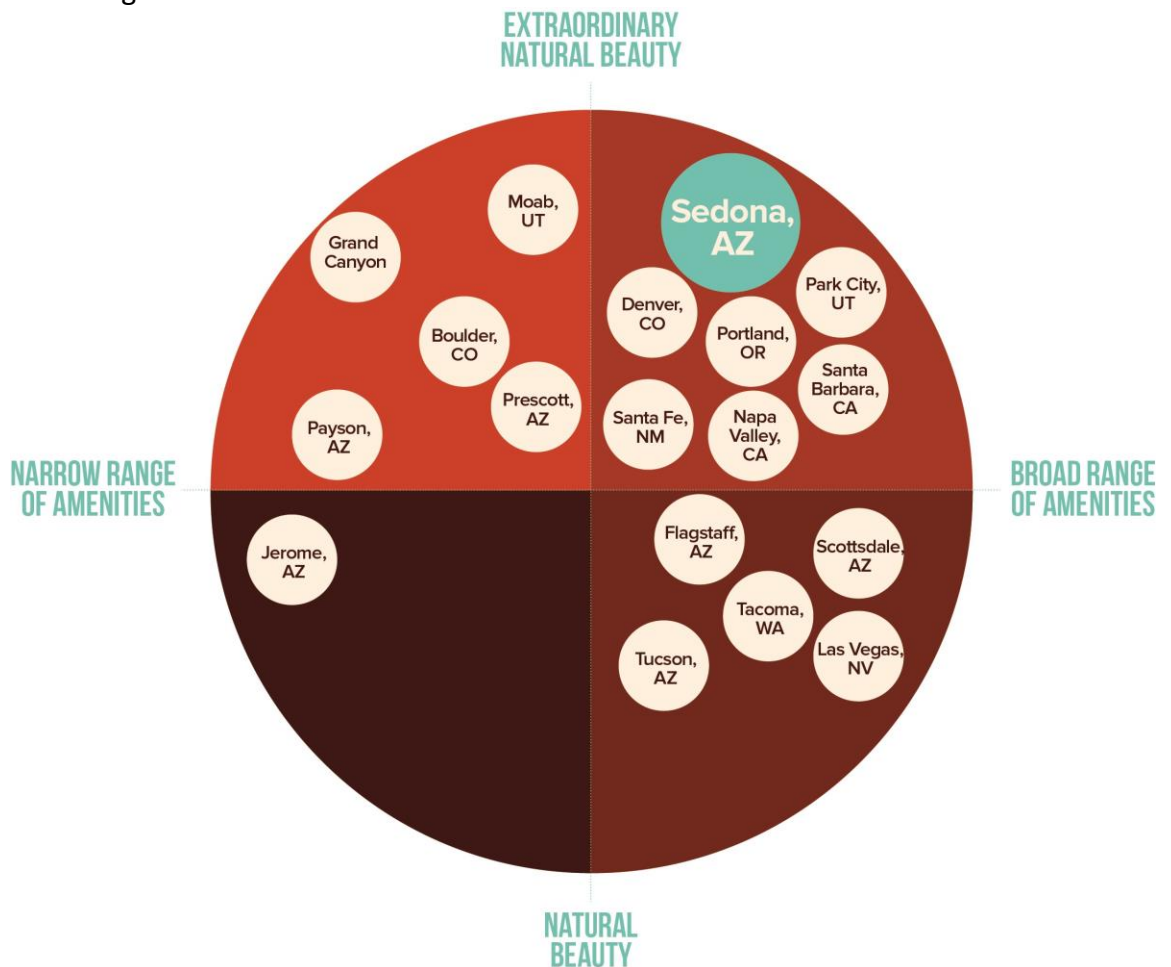
This program launched in FY-16 with hotel lobby map signage and postcards, in-room TV spots, a “web map” digital version, public relations, and social media.

FY-17 will see the second phase of this concept with inclusion of restaurants for a "Dine and Shop" execution. Additional "Walk Sedona" concepts will surely be developed, as this concept is anticipated to have a long life.

This program was initiated by the Sedona Chamber of Commerce & Tourism Bureau in conjunction with Indiana University's Graduate Capstone class. The project team, made up of seven graduate students presented preliminary findings in May 2016. Next steps for this project will be determined once the City's Master Transportation Plan is completed.

COMPETITIVE SET

To determine Sedona's position it is important to first identify its uniqueness and differentiation from the competition and value to the customer. In doing this, Sedona is set apart from other destinations that are vying for the business of the same traveler/target audience. The perceptual map below ranks competitors by "Unique Natural Beauty" and "Broad Range of Amenities." Following is a visual representation of each destination's offerings as established by their reputation and public knowledge.



THE COMPETITIVE DESTINATIONS NOTED ABOVE FALL INTO TWO CATEGORIES:

- Those destinations that have unique natural beauty that appeals to the outdoor enthusiast, such as Moab and the Grand Canyon.
- Those destinations that have a broad range of amenities and activities, from luxury to rustic, such as Napa Valley/Sonoma and Santa Barbara.

TARGET AUDIENCES

GEOGRAPHIC

Traditionally, most of the SCC&TB's marketing dollars have been allocated to Phoenix, which is the largest feeder market for Sedona. Los Angeles will continue to be a reliable feeder market for Sedona tourism and will remain part of ongoing targeting efforts.

Of the top three largest Designated Market Areas (DMAs) visiting the North Central Region, Phoenix ranks lowest in share of spending on hotel stays. Tucson and Pima County have a population of over one million residents. Given the size of this population base, the alignment with our target visitor profiles, and the greater distance between Tucson and Sedona, Tucson is a prime target.

Share of Spending on Hotels from Top Source Markets:

Of the top ten source markets, what percentage of the total expenditure is for overnight accommodation?

	Top DMAs	% of Spend on Hotels
1	Phoenix (Prescott) AZ	15.9%
2	Los Angeles CA	25.0%
3	Tucson (Sierra Vista) AZ	26.3%

SOURCE: BUXTON, MAY 2013 – APRIL 2014, NORTH CENTRAL REGION

We have determined the target markets for Sedona to be comprised of:

PRIMARY:

1. Residents of
 - a. Phoenix/Maricopa county
 - b. Los Angeles DMA
 - c. Tucson DMA
2. Visitors to Arizona
3. Visitors to the Grand Canyon

SECONDARY (reached via sales and public relations efforts):

1. Domestic – Texas, New York, Nevada
2. International – Japan, Canada, United Kingdom, Germany, France
3. International target markets as identified by the Arizona Office of Tourism – Mexico, China (Canada, United Kingdom, Germany, France)

DEMOGRAPHIC

PRIMARY: Age 35-54 (Generation X)

SECONDARY: Age 55+ (Baby Boomers)

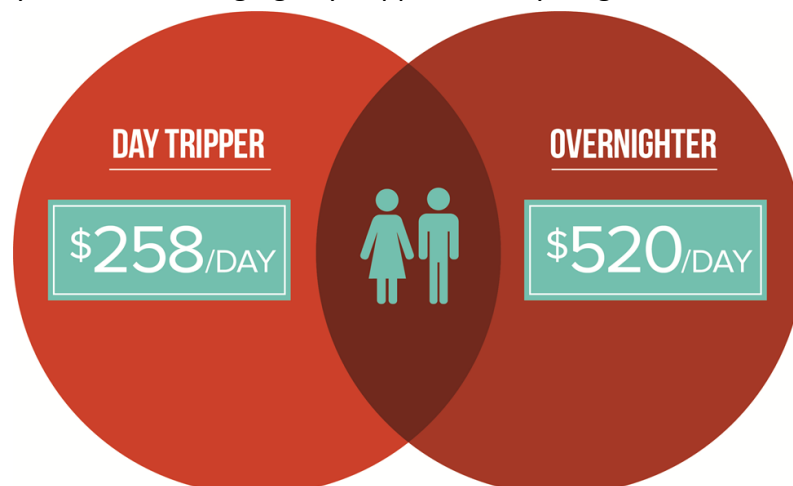
1. Annual Household Incomes \$125,000+
2. Residents of Arizona and California
3. Families, retired couples, and groups of friends
4. College-educated

PSYCHOGRAPHIC

1. Inclined to take 3+ overnight leisure trips per year
2. Nature lovers – appreciation of scenic and outdoor destinations
3. Active – hikers, bikers, runners
4. Values arts and enjoys cultural activities (art collecting, shopping, dining, theater)
5. Travelers looking for unique experiences and “down-time”
6. Wellness interests – growth in personal, cultural, creative

VISITOR SPENDING BEHAVIOR

Because research indicates that day-trippers spend an average of \$258/day compared to \$520/day for overnight guests, we want to de-emphasize the "day trip" mentality. We seek to concentrate our attention on those consumers who are more prone to overnight stays while encouraging day-trippers to stay longer.



THE BRAND

It is important to rely on the beauty of Sedona to act as the leading star of the brand. In order to keep the Sedona brand top-of-mind with all potential visitors, it's crucial that the brand aesthetic, look, feel, and voice have a consistent application across all touch points.



The evolved brand was launched successfully in FY-16. Moving into FY-17, the goal is to implement the brand and its philosophy across all departments of the SCC&TB to further the cohesion of the brand. Visitor Center enhancements and local “internal” campaigns are examples of this implementation.

Leaning on the established **VISION** of the SCC&TB, Sedona’s legendary red rock beauty truly speaks for itself, as it should. Based on the brand development platform from FY-16, all assets the SCC&TB uses to promote the Sedona area will continue to align under our unique position, along with the brand essence, promise and tagline below:

POSITION: Stunning and unique natural beauty combined with a breadth of amenities.

BRAND ESSENCE: Peace, Love, Life

BRAND PROMISE: Sedona will change you.

TAGLINE: “The Most Beautiful Place on Earth... In So Many Ways”

CREATING BRAND EVANGELISTS

Consumers want to buy products from businesses they can trust, and often turn to their friends for recommendations. When someone recommends a product they like, they are acting as a “brand evangelist”.

Loyal Customers and Brand Evangelists create word-of-mouth referrals, and it is the SCC&TB’s job to be a catalyst for that conversation by way of marketing, sales and communications.

We aim to move visitors through the consumer loyalty journey - from Day Tripper, to Loyal Customer, to Brand Evangelist - in order to increase our repeat visitation rate (currently 70%) and to attract a quality visitor who will endorse Sedona and act as another extension of our marketing efforts.



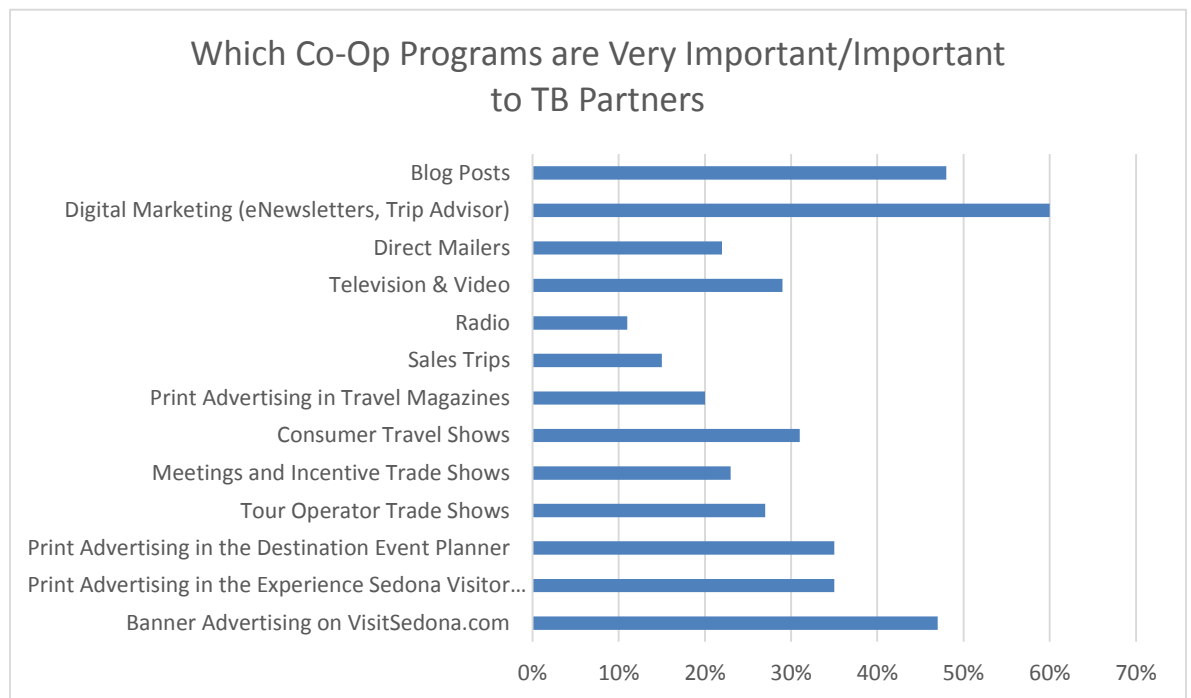
MARKETING

ONLINE CHANNELS

We will continue to focus on digital platforms over the next year particularly with enhancements to VisitSedona.com, which plays a key role in consumer education and acquisition. We regularly strive to drive highly qualified referrals to hotel partners and to work closely with properties to understand conversion and optimization.

To most effectively engage, educate, inspire and elevate customers, online channels will be aligned to seamlessly move customers through the travel decision-making process. The goal is to increase engagement levels and create measurable interaction by providing an energizing experience. This will reinforce the attributes of the Sedona brand and build long-term relationships with our customers.

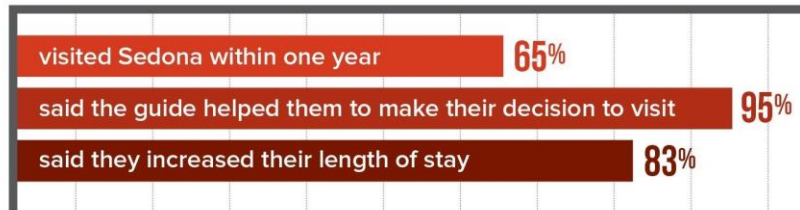
The focus on digital marketing is also being supported by our partners and stakeholders, whose survey results recently reaffirmed that “Digital is King”.



VISITOR INQUIRIES

All marketing and promotion drives to our official tourism website – VisitSedona.com. On this site, we heavily promote our annual Experience Sedona Visitor Guide, of which we produce 1/4 million of each year. Research indicates that the annual guide positively impacts travelers. Of those who received the Visitors Guide:

VISITORS WHO RECEIVED AN EXPERIENCE SEDONA VISITOR GUIDE



Source: WACVB Conversion Study 2014, Destination Analysts

This valuable visitor guide can be ordered on VisitSedona.com or also by phone. It is distributed throughout the state of Arizona to visitor centers, concierge desks, and the Phoenix, Mesa and Tucson airports. The guide is downloadable online and is also utilized by tour operators, the media and travel agents. An additional conversion study will be implemented in FY-17, to gauge the effectiveness of the guide to increase length of stay and conversion.

SEASONAL MARKETING

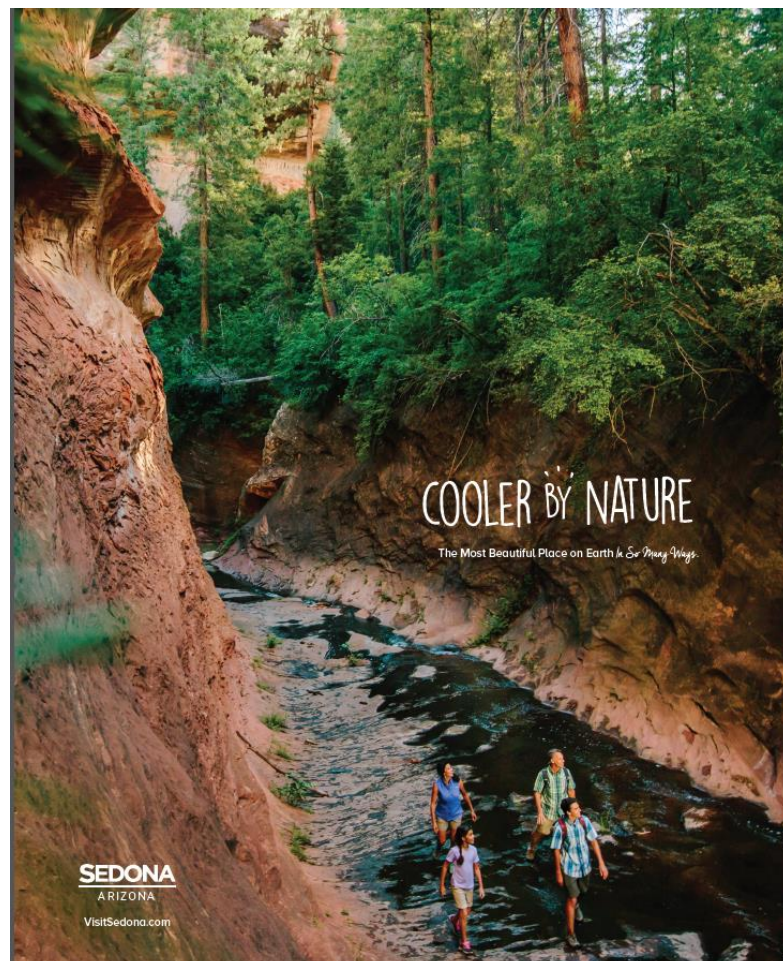
SUMMER CAMPAIGN: MAY - AUGUST

OBJECTIVE: Increase visitation during the summer need season by targeting households from Sedona's primary geographic markets.

STRATEGY: Drive summer business by implementing a campaign that communicates Sedona's stunning natural attributes and cool climate, in markets that need to escape the heat (Phoenix and Tucson), or may not be aware of Sedona as a close and cooler Arizona outdoor-adventure-rich destination (Los Angeles).

TACTICS:

1. Target Phoenix visitors via digital, print, TV, and Out of Home.
2. Campaign will be complemented with a creative social media strategy.
3. Create greater brand presence via digital outreach in Los Angeles and Tucson, where residents will stay longer and spend more (due to distance); and, are active adults who will travel with their family during summer break.



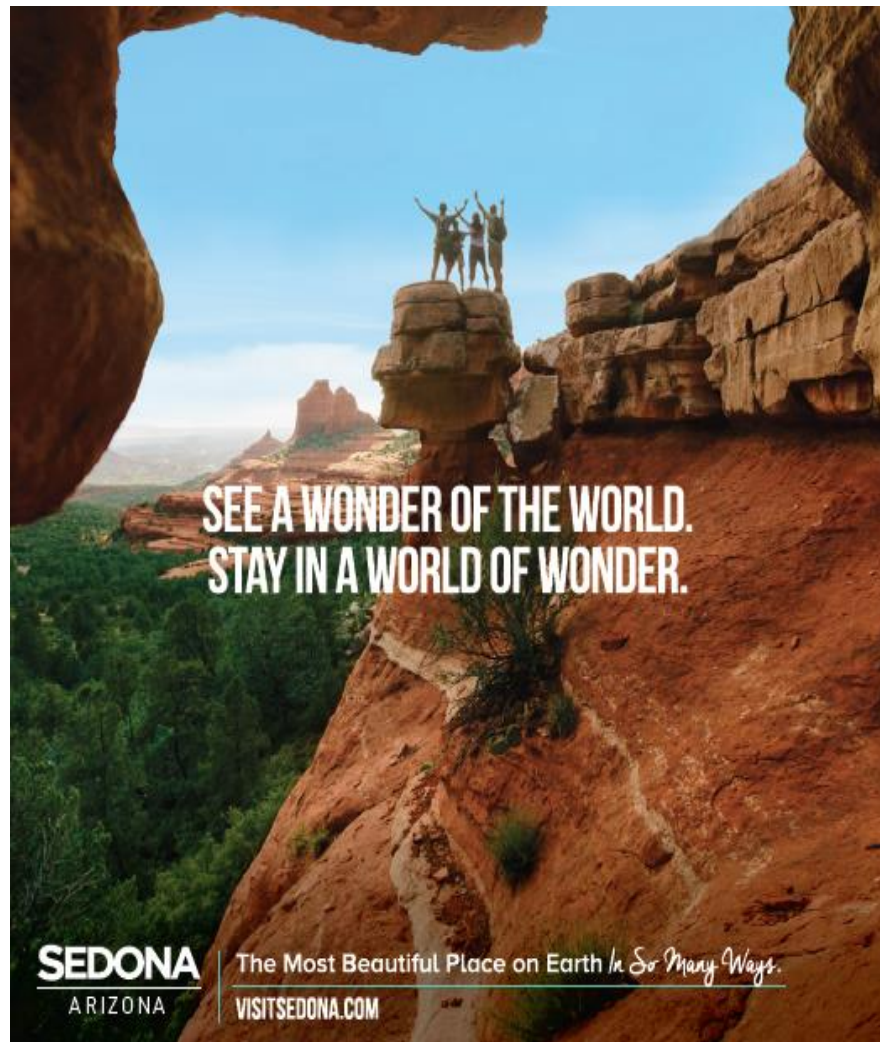
GRAND CANYON CAMPAIGN: MAY - AUGUST

OBJECTIVE: Increase visitation during summer need season by garnering share of Grand Canyon visitors. Additional attention will be given to 2016 marking the year of the National Park Services' 100 birthday. During this year, the Grand Canyon is expecting one million additional visitors compared to 2015.

STRATEGY: Drive summer business by employing a "Basecamp" approach for Grand Canyon visitors - Stay in Sedona, and day-trip to the Grand Canyon.

TACTICS:

1. Target visitors (and potential visitors) to the Grand Canyon via digital display advertising, email blasts, search advertising, targeted Grand Canyon/National parks publications, PR and social media.



WINTER CAMPAIGN: NOVEMBER – FEBRUARY

OBJECTIVE: Increase visitation during the winter need season by targeting households from Sedona's primary geographic markets. Secondly, we will target attendees of major events in the Phoenix area.

STRATEGY: Drive winter business by marketing Sedona as a getaway that features



- a) Extraordinary seasonal events and activities in November and December that will create memories to last a lifetime
- b) Unique, world-renowned wellness offerings (art as healing/inspiration, personal enrichment, spiritual and metaphysical) in January and February that will inspire visitors for the New Year.

TACTICS:

1. Target Phoenix visitors via digital, print, TV, and Out of Home.
2. Campaign will be complemented with a creative social media strategy.
3. Create greater brand presence via digital outreach in Los Angeles and Tucson, where residents will stay longer and spend more (due to distance).



FY-17 PERFORMANCE STANDARDS: MARKETING

Generate
60 million
paid impressions
  for Sedona  

Generate a minimum of
1,200,000
unique visitors to



Generate **\$250,000**
in partnership
cooperative
revenue




Generate no less than a total of
 **90,000**
inquiries
from targeted customers
in Domestic and International markets

PUBLIC RELATIONS

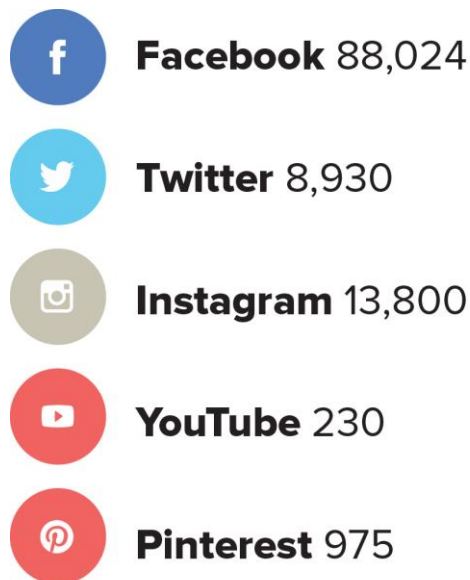
SOCIAL MEDIA

The growing form of digital communication plays an increasingly important role in communicating to the local market and for marketing a destination. The SCC&TB has made great strides in incorporating social media into our communications efforts. We recognize room for further growth over the next three years in the areas of extending social channel awareness and increasing customer engagement. Social media allows us to engage in order to create more brand evangelists.

We will utilize messaging to support campaign efforts and will continue to measure and optimize against best practices. We are prepared to meet the challenges of this medium through our work with key partners such as Facebook, TripAdvisor, Twitter and YouTube with strategies developed by medium to address each unique audience of that medium.

Destination partners also play an enormous role in our overall ability to engage and deliver value to our consumers. For this reason short-term emphasis will be to further integrate social media efforts with our partners.

The SCC&TB will aggressively utilize social media and video to enhance brand awareness and integrate into all communications efforts. Following are our primary outlets and their fan base to date:



*As of April 2016

COMMUNICATIONS

Compelling media reports build Sedona's reputation as a lively destination. That allows us to provide more in-depth information to educate our audiences, which, in turn, helps to convert interest to live, work and travel to the destination. This important work is overseen by a fully integrated public relations program, which targets regional, national and international markets. The SCC&TB then works closely with its partners and to highlight Sedona amenities and attractions.

Through local publicity efforts, experiential event marketing and in-market activity, public relations efforts garner immediate attention, illustrating and supporting Sedona as the world's most desirable destination for leisure and business travel. Making customers aware a special promotions and events drives them to the Sedona website for more information.

Public relations initiatives also rely on the tourism community, special event producers and strategic partners in order to generate additional content, product and interest.

Monthly Press Release

Using our Public Relations Program of Work, we use monthly themes to create an informational press release full of unique story ideas. We distribute the press release at the first of the month using Meltwater, a software that allows us to find influencers, build awareness, share brand news through press releases, and track coverage through traditional and social media outlets. We distribute the press release to an average of 4,000 hand-selected media professionals.

Monthly Media Round-Up

Using our Public Relations Program of Work, we use monthly themes to create an informational e-newsletter, promoting our key niches, events, story ideas and important newsworthy items. We distribute the e-newsletter through Constant Contact the first week of every month to a growing email list of over 3,000 domestic and international media in which a relationship has been established, either by a press or FAM trip, a media event or through on-going communications. The average open rate is 23%.

MEDIA MARKETPLACES

The SCC&TB will continue to pitch Sedona to highly targeted publications and travel outlets. The themed approach is identified in the FY-17 Public Relations Program of Work (See Appendix A).

We will continue to develop our media relations efforts through one-on-one direct sales efforts to qualified travel journalists, editors, guidebook authors, influencers, and radio and TV producers by participating in the following Arizona Office of Tourism and Phoenix media marketplaces:

- Vancouver Media Marketplace (August)
- Arizona Media Marketplace (November)
- Chicago Media Events (December)
- Los Angeles Media Mission (January)
- San Francisco Media Events (February)
- U.S. Travel Association's IPW, Media Marketplace (June)

EVENT PROMOTION

Sedona is home to many world-class special events and festivals and they will continue to play a significant role in the marketing of our destination over the next year. These events drive incremental visitors to the destination and help brand Sedona as a unique and premier destination.



The SCC&TB and the Sedona Event Alliance (SEA) have teamed together to identify the needs of the event community and to identify opportunities to promote and facilitate events in Sedona. These entities work closely together to identify and support events that enhance the brand, generate significant economic impact, drive incremental room nights and garner millions of dollars in earned media directed at our target consumers. The SCC&TB will also utilize sponsorship elements such as additional marketing, social media promotion, public relations, and business-to-business sales tools to assist these event promoters.

Event Sponsorships

The SCC&TB will offer annual or “signature” events additional exposure and coverage before their event date on our websites, social media, e-newsletters, A-Frames and more. In return, the SCC&TB will be an event sponsor coming in the level of in-kind products and services offered. We plan to sponsor a minimum of 12 annual events annually and garner a better partnership with event producers and the Sedona Events Alliance. One of the many benefits of a sponsorship is a calendar listing on TripAdvisor.

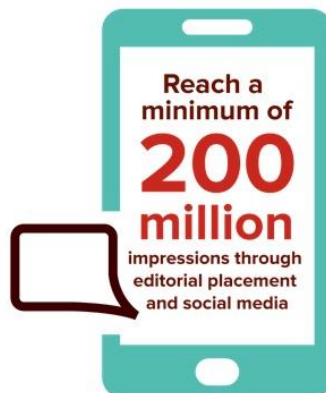
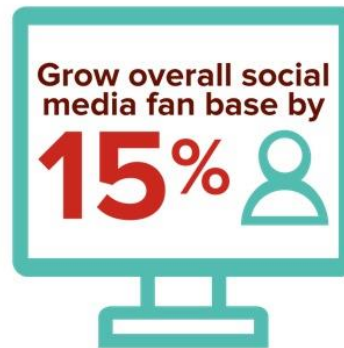
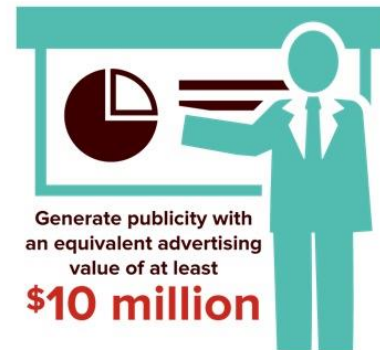
FY-17 Sponsorships will go to well-established annual events such as:

- The Great Sedona Chili Cook-off
- 1st Fridays in the Galleries
- Sedona Mountain Bike Festival
- Sedona Yoga Festival
- International Film Festival
- National Day of the Cowboy
- Red Rocks Oktoberfest
- Sedona WineFest
- Illuminate Film Festival
- PALET Plein Air Legacy Event
- 12x12 Project
- Laser Light Show
- Global Wellness Day
- Winter Music Festival
- Community Campout
- Dogs Day Out
- Celebration of Spring
- 4th of July at the Pool
- Sedona Book & Arts Festival
- Sedona Arts Festival
- Fiesta del Tlaquepaque
- Main Street Paint Out
- Dia de los Muertos
- Cinco de Mayo
- Sedona Verde Valley Open Studios Tour
- Red Rocks Music Festival
- Sedona Marathon Event

Event Calendar

The SCC&TB will continue to provide a robust, one-stop Sedona Event portal that is used by all local residents and visitors alike. We will maintain and assist event producers in submitting to the online calendar to provide state-of-the-art responsive calendar technology to allow users to sort and find events easily. This calendar will continue to captivate users with photos and videos.

FY-17 PERFORMANCE STANDARDS: PUBLIC RELATIONS



GROUP/ MEETING SALES



Sedona has a tremendous opportunity to position itself as a premier destination for small meetings, incentive programs, family reunions, and the weddings market.

Growth is critical for future meeting, incentive and group sales activities. This includes: lead generation growth, conversion growth, attendance growth and increased occupancy for all Sedona lodging partners. The SCC&TB will pursue time-tested markets that have yielded consistent results along with new opportunities with an emphasis on professional sales techniques, excellent service, and one-on-one contact with meeting & event planners. The SCC&TB is committed to conducting sales and marketing activities with a targeted focus on booking future business that will help fill meeting and event facilities in the Sedona area to meet both short and long-term goals.

According to the 2016 Meetings and Events Forecast from Carlson Wagonlit Travel (CWT) Meetings & Events, room rates will rise as demand continues to outpace supply as related to meetings business. Increasing demand from leisure travelers is also making availability tighter for meeting groups, particularly at upscale destinations and hotel/resorts. Meetings groups are being steered toward dates when transient business is low. This tactic mirrors Sedona's strategy of targeting groups who historically meet or have an ability to meet during our need periods.

As reported by Convene's PCMA 24th Annual Meetings Market Survey there has been steady growth in the smaller meetings market; meetings comprised of 10 to 100 attendees and with a shorter average booking window of nine months. This is a positive indicator for Sedona's meetings business as our lodging stakeholder's capacity is restricted to small meetings.

Health and Wellness will continue to be a big part of future meetings. The 'wellness' definition as related to the meetings market now considers not only healthy lifestyle elements, but also creativity and productivity opportunities which all speak directly to Sedona's strengths.

Phoenix/Mesa is among the top 25 metro areas for both convention/conference travelers and general business travelers. The SCC&TB reaches out to meeting and event planners who are organizing group events in the Greater Phoenix area to encourage their participants' make pre/post visits to Sedona as well as invite those planners to familiarization tours in Sedona.

Non-business conferences (aka SMERF – social, military, education, religious & fraternal) is defined as group events unrelated to a job or occupation. Some such are alumni, fraternity, or sorority reunions, military reunions, religious conferences, self-improvement or educational conferences, and social events, hobby-related conferences. According to U.S. Travel Association travel poll, 36% of Americans have traveled to attend a non-business conference for personal, social or civic reasons in the past five years.

Individual and group sales activities will focus on new connections, relationships, vertical markets and regional responsibilities as the best way to grow this market. Because nothing sells the destination better than experiencing Sedona, SCC&TB will continue to bring key clients and new prospects to the destination to meet with our stakeholders. The SCC&TB focuses on high-yield group markets that Sedona's hotel & resort properties and meeting facilities are not able to fully solicit on their own by offering cooperative sales and marketing opportunities.

DIRECT SALES: INDUSTRY TRADE SHOWS & SALES MISSIONS

Industry trade shows give the SCC&TB the opportunity to make new connections, maintain relationships with existing clients, and promote Sedona to a large number of people in a short amount of time.

The Sales Department staff plans to attend the following trade shows and conduct sales missions to the greater Phoenix area. It is important to note that the proposed shows may change as market conditions dictate.

- IMEX America -- Target: International & Domestic meeting/event planners
- Collinson Connect – Target: SMERF/Incentive/Association meeting & event planners
- HSMAI Meet – Target: Association, Corporate & independent meeting & event planners
- Helms Briscoe Conference – Target: Professional Meeting Planners across all market segments
- Sales Missions to the Phoenix area – Target: Meeting Industry Professionals/Associations & Organizations

CLIENT SERVICES

The sales team's focus is to provide destination expertise, sales material for attendance promotion, venue selection support and other services to clients who are planning meetings events and weddings. These efforts will help clients make smart informed decisions as well as generate repeat business.

FAMILIARIZATION (FAM) TOURS & SITE INSPECTIONS

FAM tours and site inspections are powerful tools allowing professional meeting and event planners the opportunity to experience Sedona, its meeting venues and attractions first hand. When planners experience Sedona, they are able to better relay information and promote Sedona to their clients. Since their jobs involve influencing clients with their meetings and events site selection, this is a valuable tool.

SEDONA DESTINATION EVENT PLANNER

The Destination Event Planner, is an Event and Meeting Planners guide to Sedona's meeting venues. This resource provides crucial, meeting-specific information and reflects the brand and supplement the Experience Sedona Guide. Online version is available on VisitSedona.com/meetings-events.

MEETING & EVENT PLANNERS E-NEWSLETTER

The sales team will produce and distribute a bi-monthly e-Newsletter to more than 2,500 meeting & event planners describing Sedona's meetings, conference and group capabilities. This will help meeting planners stay abreast of new venues and services offered in Sedona as well as generating greater brand awareness to the meeting industry professionals.

MEETINGS & EVENT WEBSITE ENHANCEMENTS

Ongoing enhancements will be made to pages that are specifically designed for meeting industry professionals on SCC&TB's official website – VisitSedona.com.

FY-17 PERFORMANCE STANDARDS: GROUP/MEETING SALES



Identify & Meet with a Minimum of
300 Professional
Meeting Planners

Generate
10,000
page views



for Meetings &
Sales web pages

Generate
20,000
Room Night
Opportunities



\$3.5 million
in Potential Economic Impact and
\$250,000
— in Sales Tax —



Conduct FAM Tours for
30 meeting
planners

TRAVEL TRADE INDUSTRY SALES

The SCC&TB travel trade industry sales efforts focus on a direct economic impact to the community through programs offered by national and international tour operators.

The SCC&TB Sales Department provides destination sales and marketing services to travel trade industry professionals. The department reaches out to travel trade professionals of various segments including wholesale tour operators, receptive tour operators, travel agents, and online travel agents in the travel distribution system to gain inclusion in their travel itineraries/programs. Working with partners and other travel industry stakeholders is critical for marketing the Sedona area as a premier leisure travel destination, both domestically and internationally.

According to the U.S. Department of Commerce, Office of Travel & Tourism Industries, travel and tourism provided a \$57.1 billion balance of trade in 2014. The U.S. received a record 69.8 million visitors spending \$180.7 billion. Flagstaff-Grand Canyon-Sedona, AZ is ranked among the 15 top U.S. cities visited by international visitors.

The international markets are important to Sedona's tourism industry as these visitors tend to travel during Sedona's slower tourism seasons (summer and winter). Exchange rates also affect our international markets and favorable exchange rates can make traveling to the U.S. a bargain for foreigners during Sedona's need periods. It's with this in mind, that the SCC&TB targets international F.I.T. (foreign/free independent travelers), group tours, and incentive groups through travel trade sales and marketing efforts.

As our consumer marketing efforts are heavily focused on domestic markets, it is also important for SCC&TB to work with domestic tour operators and travel agents so that they can deliver tour products to those who are responding to our marketing efforts.

The SCC&TB travel trade outreach programs include trade shows, sales missions, familiarization tours, and other awareness programs for travel trade industry professionals to capture individual travel and group tour business to Sedona from its targeted markets. Through these programs, the SCC&TB is able to connect directly with international and domestic travel buyers and provide an in-depth look at Sedona experiences. At the same time, tour operators, travel agents, and other travel buyers will continue to acquire the knowledge and information needed to better promote Sedona as a travel destination to their respective clients.

During FY-17, the SCC&TB travel trade sales efforts will focus on the following markets:

EUROPEAN MARKET WITH FOCUS ON GERMAN SPEAKING EUROPE

Germany was the number one European market that brought overnight visits to Arizona with 6.4% growth in 2014. They began to recover strongly in 2014 according to OAG (number of passengers arriving from international markets) and Visa data (number of unique cards used by international visitors by market). Switzerland also posted growth of 6.3% in 2014. The key traveling months from these markets are April to October with a spike from June through September. We will focus on FIT (Foreign/Free Independent/Individual Travelers) including Fly & Drive and package programs and group tour series.

ASIA WITH FOCUS ON JAPAN

After years of sub-par performance, Japan has posted four consecutive years of growth of overnight visits to Arizona with a 5.1% increase 2014. Sedona has been the leading force to bring Japanese visitors to the State. The Japanese travelers' key travel months are July to August and December to January. We will focus on FIT (Foreign/Free Independent/Individual Travelers) including Fly & Drive and package programs, group tour series and incentive programs.

MOTORCOACH INDUSTRY

The motor coach industry is also an important segment of our tourism industry. According to the American Bus Association Economic Impact Study of 2015 by John Dunham and Associates, Inc., the direct economic impact of the motor coach industry was more than \$1.6 billion to the state of Arizona. And it is important that Sedona capture our share of this business.

INDUSTRY TRADE SHOWS

Industry trade shows give the SCC&TB the opportunity to make new contacts, strengthen relationships with existing clients, and promote Sedona to a large number of people in one place at one time. At these industry trade shows, we intend to make appointments with our targeted markets of Canada, United Kingdom, Japan, Germany, and other markets identified by the Arizona Office of Tourism.

The Travel Industry Sales Department plans to attend the following trade shows. It is important to note that this list may change as market conditions dictate.

- ABA's Marketplace: Target - domestic motor coach operators
- Go West Summit: Target - international, receptive & domestic operators
- ITB Berlin: Target - international operators
- U.S. Travel Association's IPW: Target - international, receptive & domestic operators

SALES MISSIONS/ PRODUCT TRAINING & SEMINARS

Sales missions allow the SCC&TB to directly contact travel trade industry professionals. Sales missions may include product trainings and seminars. They can also be conducted in partnership with other destination marketing organizations in Arizona to take a regional approach to encourage clients to utilize Arizona and regional facilities, including Phoenix Sky Harbor International Airport and Flagstaff Pulliam Airport. The Travel Industry Sales Department plans to conduct following sales trips/missions. It is important to note that this list may change as market conditions dictate.

- Los Angeles: Target – receptive tour operators, travel agents
- Las Vegas: Target – receptive operators
- Japan: Target – wholesale tour operators

FAMILIARIZATION (FAM) TOURS

FAM tours are an excellent way to showcase products in the destination. The SCC&TB will coordinate site inspections for motor coach, travel agent and group tour clients, receptive operators and international tour operators. SCC&TB will also participate in cooperative FAM tours with statewide partners, as opportunities arise.

COOPERATIVE SALES & MARKETING EFFORTS

SCC&TB travel trade sales may participate in cooperative sales and marketing opportunities provided by national and international tour operators. Opportunities will be evaluated with SCC&TB marketing department to maximize bookings during Sedona's need periods.

ITINERARY SUPPORT

The SCC&TB will assist travel trade professionals to develop itineraries, featuring detailed information regarding attractions, timing of travel, and dining and accommodation options. These itineraries will sell the many attributes of the Sedona and Verde Valley region that make doing business in the Sedona area easier for tour operators. This will also allow us to showcase the USPs previously identified in the plan (page 15) and integrate branding and sales efforts.

CLIENT SERVICES

Quality customer service is critical to our success. The SCC&TB ensures repeat business by providing planning support, sales support materials and other services to clients who are designing tours and packages that include Sedona.

TRAVEL TRADE E-NEWSLETTER

The SCC&TB will produce quarterly e-Newsletters including recent Sedona accolades, new lodging properties and attractions, renovations, upcoming events, and promotions of interest to tour operators, travel agents and motor coach operators. The e-Newsletter is distributed to more than 3,000 travel trade professionals with an average open rate of 30%.

TRAVEL TRADE INDUSTRY WEBPAGE ENHANCEMENTS

The sales team will continually enhance webpages that are specifically designed for travel trade industry professionals on SCC&TB's official website - VisitSedona.com.

TOURISM PARTNER RELATIONSHIP

SCC&TB works closely with its tourism partners to better promote their business to travel trade industry professionals. Its strong partnership with local tourism businesses will allow the SCC&TB to reach its goals.

FY-17 PERFORMANCE STANDARDS: TRAVEL TRADE INDUSTRY SALES

Generate 50
 **domestic and international**
hotel leads and service request leads

Produce 850
 **service request referrals**
for Sedona tourism partners

 **Generate 6,000**
page views
for travel industry web pages

Conduct 20 FAM Tours 
for travel trade industry professionals



Meet with a minimum of
350 travel trade
industry professionals
to promote Sedona

VISITOR SERVICES

The SCC&TB services both potential visitors and in-market visitors. Our Visitor Center staff and volunteers serve as destination experts – greeting guests and offering insights into Sedona’s depth and breadth of amenities to ensure a memorable visit. The role of the Visitor Center is critical, not only for providing the best visitor experience, but for also ensuring that the visitor spends more time and dollars in our destination.

The Visitor Center is successful due to the volunteers who are continually trained and educated. Our partners help educate our volunteers and staff by conducting Familiarization (FAM) tours to help our teams become more aware of their business services. Next year we will develop a Front-liners Training Workshop for people that assist visitors.



The strength of any product or service is only as strong as its brand. In the case of Sedona, we grow the Sedona brand through our marketing, sales and public relations efforts, live the brand through our people and partners, and house the brand at our Visitor Center where our brand essence is front-and-center: “Peace. Love. Life.” Step through the doors of our Visitor Center, and each person you encounter embodies this essence. In FY-17, we will develop additional ways to bring the brand to life as illustrated by the following examples:

- A signage area will be created above the brochure display cabinets that will showcase the arts and culture product of Sedona.
- Artists in Residence will showcase their work and create experiential moments.
- Space will be enhanced and maximized by the hanging of multi-sided brand signage.

FY-17 PERFORMANCE STANDARDS: VISITOR SERVICES

Manage the Uptown Visitor Center

 **7** days &  **59.5** hours
PER WEEK

Manage and assist

300,000
walk-in visitors



 Manage and assist
7,500
visitor inquiries
via phone and email

Produce and distribute

 **250,000**

Experience Sedona Visitor Guides

CONCLUSIONS & SUMMARY

The Sedona Chamber of Commerce & Tourism Bureau and its partners will continue to play a vital role in Sedona's economy and in the lives of its citizens. We are proud of our partnership with the community and remain committed to achieving sustainable growth that will benefit our entire region and state. Marketing and selling Sedona as the world's most desirable destination for residents, businesses and leisure and business travel is one proven way we can prosper, coupled with the knowledge and know-how to create tourism product that helps to balance the potential impacts of our city's industry.

We must continue to cultivate our existing relationships and build new relationships into the future. It is with this in mind that we conduct research in order to understand what our stakeholders need to continue to keep our organization relevant; and to determine what consumers and business clients want in order to put Sedona on the top of their list when choosing a destination for relocation or leisure and business travel.

With the knowledge we are able to gain from our stakeholders, residents, customers and potential customers, we will aggressively seek out new and innovative channels to continue to maintain business retention and diversity, and help drive incremental visitation across all audiences. This information will also help us to provide insight to our tourism industry partners for future product and amenity development so that they too may continue to deliver the excellent experience that keeps bringing clients back time and time again.

Ultimately, these efforts will increase overall visitor spending and positively contribute to our city's coffers through sales and bed tax collection, thus enhancing the quality of life for residents. These efforts act as a tool for economic development and support the City of Sedona's Community Plan in terms of preserving and enhancing Sedona's tourism-based economic sector.

The strategies and tactics put in place for FY-17 are designed to increase awareness of Sedona as a destination; to build visits at times when tourism business is needed; to balance the needs of our local commerce, residents and visitors; and, to continue the sense of excitement of Sedona as one of world's most beautiful destinations – perhaps The Most Beautiful Place on Earth, In So Many Ways.

APPENDIX

- A. Long-Term & Short-Term Goals
- B. Performance Standards
- C. Program of Work
- D. Contractual Budget



LONG-TERM GOALS

DESTINATION SERVICES

1. Increase economic impact of tourism thus improving overall revenue to the City of Sedona.
2. Position Sedona as a premiere tourism destination for leisure and group business.
3. Ensure long-term tourism sustainability.
4. Actively engage in product development efforts to link, enhance and create amenities that enrich the tourism experience and contribute to quality of life for residents.
5. Maintain trained, engaged and vibrant volunteer core.
6. Provide excellent customer service that exceeds visitor and client expectations.

SHORT-TERM GOALS

DESTINATION SERVICES

Marketing and Public Relations

1. Increase visitor spending in Sedona with a focus on mid-week, off-peak seasons.
2. Reinforce Sedona's Unique Selling Propositions: Arts/Culture, Wellness, and Outdoor Adventure.
3. Embrace brand campaign and develop integrated ways to bring the brand to life.
4. Utilize audience and industry research to inform decision-making.
5. Continue to investigate new and emerging markets and strategies.
6. Increase efforts to further the Tourism Product Development Program.

Group/Meeting and Travel Trade Industry Sales

1. Position Sedona as the premiere destination for small meetings in Arizona.
2. Position Sedona as one of the world's top leisure destinations for national and international travelers through travel trade tour programs.

Visitor Services

1. Provide the highest level of customer service at Visitor Center and Call Center.
2. Incorporate brand philosophy at the Visitor Center.

PERFORMANCE STANDARDS

DESTINATION SERVICES

Marketing

1. Generate no less than a total of 90,000 inquiries from targeted customers in domestic and international markets.
2. Generate a minimum of 1,200,000 unique visitors to VisitSedona.com.
3. Generate 60 million overall paid impressions for Sedona.
4. Generate \$250,000 in partnership cooperative revenue.
5. Reach 1,000,000 views on Sedona destination videos.

Public Relations

1. Generate 2,000 travel articles about Sedona.
2. Reach a minimum of 200 million impressions through editorial placement and social media.
3. Generate publicity with an equivalent advertising value of at least \$10 million.
4. Assist 500 media professionals.
5. Grow overall social media fan base by 15%.

Group/Meeting Sales

1. Generate 20,000 room night opportunities from group sales Request for Proposals resulting in a potential economic impact of \$3.5 million with a sales tax opportunity of \$250,000.
2. Conduct customized Familiarization (FAM) tours for 30 pre-qualified meeting planners.
3. Identify and meet with a minimum of 300 professional meeting planners with a demonstrated propensity for mid-week/off-season business.
4. Generate 10,000 page views for Meetings and Sales web pages on VisitSedona.com.

Travel Trade Industry Sales

1. Generate 50 domestic and international hotel leads and service request leads.
2. Produce 850 service request referrals for Sedona tourism partners.
3. Conduct 20 customized Familiarization (FAM) tours for pre-qualified national and international travel trade industry professionals.
4. Identify and meet with a minimum of 350 travel trade industry professionals at tradeshow and sales missions to position Sedona as a premiere leisure destination.
5. Generate 6,000 page views for Travel Trade web pages on VisitSedona.com.

Visitor Services

1. Manage the Uptown Visitor Center seven days a week, 59.5 hours per week (excluding two holidays) with professional staff and trained volunteers.
2. Manage and assist 300,000 walk-in visitors.
3. Manage and assist 7,500 visitor inquiries via phone and email.
4. Produce and distribute 250,000 Experience Sedona Visitor Guides.



FY-17 Program of Work: Marketing

July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
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Print	Arizona State Visitors Guide										
	Phoenix Visitor Guide (Consumer Market)										
	Phoenix Destination Planner Guide (Meetings Market)										
	Scottsdale Visitor Guide										
	Tucson Visitor Guide										
	AZ Pride Guide										
											Arizona Daily Star AOT Insert
						Cactus League Newspaper Insert					
	AZ Wine Lifestyles				AZ Wine Lifestyles				AZ Wine Lifestyles		
	Red Rock Country Visitors' Guide	Red Rock Country Visitors' Guide	Red Rock Country Visitors' Guide		Red Rock Country Visitors' Guide		Red Rock Country Visitors' Guide		Red Rock Country Visitors' Guide	Red Rock Country Visitors' Guide	Red Rock Country Visitors' Guide
AAA Highroads, Member Co-op											

Digital	Go-Arizona.com										
	National Park Trips Integrated Program (Grand Canyon Campaign)										
	TripAdvisor Destination Page										
	TripAdvisor Event Calendar										
	TripAdvisor Display Advertising										
	VisitSedona.com Features & Calendar of Events Improvements										
	AOT Canada Integrated Program (Oct - Feb)										
	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization	Search Engine Optimization
	Search Engine Marketing (PPC)	Search Engine Marketing (PPC)			Search Engine Marketing (PPC)	Search Engine Marketing (PPC)	Search Engine Marketing (PPC)	Search Engine Marketing (PPC)		Search Engine Marketing (PPC)	Search Engine Marketing (PPC)
	Facebook Advertising	Facebook Advertising			Facebook Advertising	Facebook Advertising	Facebook Advertising	Facebook Advertising		Facebook Advertising	Facebook Advertising
	AZ Key 360	AZ Key 360			AZ Key 360	AZ Key 360	AZ Key 360	AZ Key 360		AZ Key 360	AZ Key 360
	AOT e-Newsletter Theme: TBD	AOT e-Newsletter Theme: TBD			AOT e-Newsletter Theme: TBD	AOT e-Newsletter Theme: TBD	AOT e-Newsletter Theme: TBD			AOT e-Newsletter Theme: TBD	AOT e-Newsletter Theme: TBD
Summer Digital Campaign (May - Aug)					Winter Digital Campaign (Nov - Feb)						Summer Digital Campaign (May - Aug)

Broadcast & Out-Of-Home	In-Market TV Channels										
	TV - PHX				TV - PHX						TV - PHX
	Airport - PHX				Airport - PHX						Airport - PHX
	Billboards - PHX				Billboards - PHX						Billboards - PHX



FY-17 Program of Work: Marketing (continued)

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Direct Marketing	Experience Sedona Guide - Production & Distribution (Airports, AAA offices, PHX Concierge)											
	International Lure Brochures											
	Content Marketing & Activation Program				Content Marketing & Activation Program						Content Marketing & Activation Program	
	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion	Sedona Events Promotion
	Monthly Consumer e-Newsletters Theme: Summer Vac/Family Travel		Monthly Consumer e-Newsletters Theme: Arts & Culture		Monthly Consumer e-Newsletters Theme: Itinerary Trips		Monthly Consumer e-Newsletters Theme: Renewal & Wellness		Monthly Consumer e-Newsletters Theme: Outdoor Adventure		Monthly Consumer e-Newsletters Theme: Culinary & Wine	
	Monthly Concierge e-Newsletters Theme: Summer Vac/Family Travel		Monthly Concierge e-Newsletters Theme: Arts & Culture		Monthly Concierge e-Newsletters Theme: Itinerary Trips		Monthly Concierge e-Newsletters Theme: Renewal & Wellness		Monthly Concierge e-Newsletters Theme: Outdoor Adventure		Monthly Concierge e-Newsletters Theme: Culinary & Wine	
				Arizona Showcase								
				PHX Concierge Presentation							PHX Concierge Presentation	
Regional Branding & Marketing	Sedona Verde Valley Tourism Council & Marketing Program											



FY-17 Program of Work: Visitor Services

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Customer & Volunteer Services		Volunteer Training		Volunteer Training		Volunteer Training		Volunteer Training		Volunteer Training		Volunteer Training
	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection
	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings	Community Leadership, Committees & General Meetings
	Front Line Training			Front Line Training	Volunteer Appreciation Event			Front Line Training	National Volunteer Week Luncheon	National Tourism Week		Front Line Training
Business Exposure	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections	Volunteer FAMs & Site Inspections
	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution	Collateral Distribution
Advocacy		Timeshare Taskforce Committee	Visitor Services Steering Committee Meeting	Adopt A Highway		Visitor Services Steering Committee Meeting		Timeshare Taskforce Committee	Visitor Services Steering Committee Meeting	Adopt A Highway		Visitor Services Steering Committee Meeting



FY-17 Program of Work: Sales

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Travel Industry Sales	Ongoing Custome Travel Trade FAMs											
	U.S. Domestic & International Travel Trade Industry Relationship Management											
	German Speaking Europe - Fulfillment Travel Trade Industry Sales & Marketing											
	Ongoing Travel Trade Industry & Japanese Website Enhancements											
	Japanese e-News		Travel Trade e-News	Japanese e-News		Travel Trade e-News	Japanese e-News		Travel Trade e-News	Japanese e-News		Travel Trade e-News
		Los Angeles Sales Mission (Receptive focus)		Las Vegas Sales Mission (Receptive focus) 10/17-21	Japan Sales Mission (Int'l wholesale focus)		ABA Conference (Domestic focus) Clevekan, OH 1/14-17	Go West Summit Tradeshow (Int'l Receptive focus) Reno, NV 2/13-16	ITB (Int'l focus) Berlin, Germany 3/8-12			US Travel Assn's IPW Tradeshow (Int'l focus) Washington, D.C. 6/3-7 TAP Dance (Domestic Focus) Tucson, AZ 6/10-13
Group Sales	Ongoing Custom Meeting/Incentive/Group FAMs											
	Ongoing Meetings & Events Website Enhancements											
	Ongoing DEP Distribution Program											
	Meetings/Incentive/Groups Marketing & Support											
	Meetings/Incentive/Groups Video & Photography										Invitational FAM Tour	
	Meeting Planners e-News		Meeting Planners e-News		Meeting Planners e-News		Meeting Planners e-News		Meeting Planners e-News		Meeting Planners e-News	
	Phoenix Sales Mission				Phoenix Sales Mission		Phoenix Sales Mission MPI Sponsorship	Phoenix Sales Mission	Phoenix Sales Mission	Phoenix Sales Mission		US Travel Assn's IPW Tradeshow (Int'l focus) Washington, D.C. 6/3-7
		Collinson - Connect Conference Grapevine, TX 8/24-28	HSMIAI-Meet Conference Washington DC 9/6-9	IMEX America Las Vegas, NV 10/17-21			PHX Bridal Show Welcome Bag Program				Helms Briscoe Annual Conference Scottsdale, AZ May / June TBD	



FY-17 Program of Work: Research

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Research & Training	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports	Smith Travel Research Reports
	Smith Travel Research Annual Report											
				Sedona Visitor Survey						Sedona Visitor Survey		
			Conversion & ROI Study - Visitor Guide									
			Sedona Visitor Intercept Survey									
					PRIZM Database Analysis							
					RKMA Travel & Tourism Market Research							
											Tour Tracker Motorcoach Inventory Report	
	Governor's Conference on Tourism	DMAI Annual Convention							WACVB Tech Summit			



FY-17 Program of Work: Public Relations - Short Lead

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 201	February 2017	March 2017	April 2017	May 2017	June 2017
Themes	Summer Travel	Summer Travel	Arts & Culture	Arts & Culture	Making Memories in Sedona	Making Memories in Sedona	Making Memories in Sedona	Romance	Outdoor Adventure	Outdoor Adventure	Outdoor Adventure	Summer Travel
Sedona Events	4th of July Laser Light Show, Day of the Cowboy, Hummingbird Fest	Sedona Bike & Brew Fest, Restaurant Week	Sedona Book & Arts Fest, Fiesta del Tiaq, Sedona Winefest	Plein Air Festival, Red Rocks Oktoberfest, Sedona Arts Festival, Dia de los Muertos, Main St. Paint Out	Veteran's Day Tribute	Holiday Central, Sedona Restaurant Week	Sedona Winter MusicFest	Film Festival, Sedona Marathon Event	Sedona Yoga Fest, St. Patrick's Day Parade, Celebration of Spring, Sedona Mountain Bike Festival	Open Studios	Great Sedona Chili Cook-Off, Cinco de Mayo	Illuminate Film Fest, Sedona PhotoFest, Plein Air Legacy Event, Global Wellness Day
Promotional Outlet	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog	e-Newsletters, Round-Up, Social Media, Website Blog
Key Words/ Phrases	NatGeo, Geotourism, sustainability, travel	State/National Parks, points of pride, Sedona as Hub	Arts, culture, wine, beer, restaurants, chef spotlight	Arts, galleries, Plein Air, art fest, painting	Winter, holidays, scenery, adventure, travel, vacation, tradition	Winter, holidays, scenery, adventure, travel, vacation, tradition	Spas, health, rejuvenation, renewal, spirituality, resolutions	Wedding, romance, love, couple activities	Outdoors, hiking, biking, trails, running, adventure, Spring Break	Offroad tours, archaeology sites, Native American exploration/culture	Celebrate tourism	Wellness
Social Media Ideas	4th of July, National Ice Cream Day, Summer Treats and cold beverages, swimming holes	Back to School, National Parks Free Admission Day, Tour Spotlight, Verde Valley travel	Self-Improvement Month, Labor Day, Gallery Spotlight	National Vegetarian Month, Oktoberfest, National Golf Day, Halloween	Thanksgiving, Native American Heritage Month, All Saints Day, Veterans Day, Take a Hike Day, Small Business Saturday, Black Friday, Cyber Monday	Christmas, New Year's Eve	New Year's Day, MLK Day, 7 Natural/Man-Made Wonder	Valentine's Day, President's Day	St. Patrick's Day, National Pie Day	National Beer Day, Earth Day	National Bike Month, Cinco de Mayo, National Tourism Day/Week, National Train Day, National Wine Day, Memorial Day	Gay Pride Month, National Trails Day, World Environment Day, International Yoga Day, Photo Sharing Competition
Social Media Outlets	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope	Facebook, Twitter, Instagram, Google +, Pinterest, YouTube, Periscope
Media Events (Sedona Chamber)		Vancouver Media Marketplace with AOT			Arizona Media Marketplace with AOT	Chicago Media Events with Phoenix CVB	LA Media Marketplace with PR Round Table	San Francisco Media Events with Phoenix CVB	Chicago Marketplace, WACVB			IPW

FY-17 Program of Work: Public Relations - Long Lead

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 201	February 2017	March 2017	April 2017	May 2017	June 2017
Themes	Arts & Culture	Making Memories in Sedona	Making Memories in Sedona	Making Memories in Sedona	Romance	Outdoor Adventure	Outdoor Adventure	Outdoor Adventure	Summer Travel	Summer Travel	Summer Travel	Arts & Culture
Story Ideas	Creating your own Art in Sedona	Shopping, Collectors, Galleries	Holiday Experiences, New Traditions	Girlfriend Getaways, spirituality, wellness, renewal	Luxury Romance, Couple Experiences	Outdoor Spiritual Adventures	Golf, Mountain Biking	Secret Watering Holes in the Verde Valley	Cowboy Experience	Wildlife, Geotourism	Astronomy, Stargazing	Native American Ruins, culture and healing
Target Markets	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan	AZ, CA, FL, NY, IL TX, Europe, Canada, Australia, Japan
Targeted Niche Publications	InStyle, Elle, Marie Claire, Sunset, New Yorker, AFAR, Conde Nast Traveler, Budget Travel	Martha Stewart Living, InStyle, Sunset, Allure, StyleWatch, Parade, Reader's Digest, Woman's Day	Real Simple, Redbook, Sunset, Country Living, Better Homes & Gardens, Hemispheres, Sky, Spirit, American Way, enRoute	Elle, Cosmopolitan, Marie Claire, Glamour, Yoga Journal, Spirituality & Health, Four Season, Elite Traveler	New York, The Atlantic, Vogue, Harper's Bazaar, W, JWM, AFAR, Departures, Luxury Travel	Backpacker, Yoga Journal, Health, Women's Health, Competitor, Shape, Weight Watchers, Outside	Backpacker, Golf Digest, Men's Journal, Men's Health, Golf, Outside, Bike, Outdoor Life	NatGeo, Red Bulletin, Travel + Leisure, AFAR, Departures	Conde Nast Traveler, Passport, Travel 50 & Beyond, Wild West Vacations	NatGeo, Outdoor Life, Climbing, Women's Adventure, Birds & Blooms	AAA, Town & Country, Budget Travel, Travel Weekly, AARP	Sunset, Smithsonian, NatGeo Traveler, Endless Vacations, Natural Awakenings

				FY15 YTD July - April Actuals	FY 2014/15 Budget July 2014- June 2015	FY 2015/16 Budget July 2015- June 2016	FY 2016/17 Budget July 2016-June 2017	% change vs FY16 Budget	Administration/ Operations	Tourism Dept	Visitor Services Dept	Total Public Funds	Notes on significant variations compared to FY16
1			Ordinary Revenue/Expense										
2			Revenue:										
3			City of Sedona	1,633,109	1,248,500	1,453,100	2,009,828	28%	150,000	1,449,828	410,000	2,009,828	The City is projecting a 3% increase in hotel sales in FY17 (\$89.6 million). Total revenue based on current contract is 55% of the bed tax collected = \$1.72 million plus the true-up from FY16 (expected to be about \$275,000). Public funds have been allocated across three departments of the organization. For the first time in FY17, \$150,000 has been allocated to the Administration/Operations Department to help cover overhead costs associated with implementation of tourism related programs, specifically, product development initiatives. \$150,000 equates to approximately 8% of the total public funds.
4			Website Advertising/Sponsorships	101,503	81,500	136,000	136,000	0%		117,000	-	117,000	
5			Co-op Ads/Promotion/Tradeshows	42,800	55,000	63,000	63,000	0%		63,000		63,000	
11			Total Membership Revenue	207,352	296,100	282,120	274,720	-3%				-	
15			Tourism Bureau Revenue	87,195	129,500	128,000	128,000	0%		128,000		128,000	
23			Total Event Revenue	78,753	63,200	60,700	63,050	4%	30,000		700	30,700	
28			Total Royalty Revenue	36,313	40,500	41,800	44,520	6%		36,520		36,520	
34			Total Sales Revenue	163,188	153,000	146,500	155,000	5%			155,000	155,000	
39			Total Other Revenue	7,521	8,750	7,300	7,100	-3%	100	-	7,000	7,100	
40			Total Revenue	2,370,161	2,077,550	2,318,520	2,881,218.00	20%	180,100	1,779,520	572,700	2,532,320	
48			Total Event Expense	15,848	17,300	28,500	19,025	-50%	1,500	1,500		1,675	4,675
54			Total Cost of Goods Sold	139,043	141,800	140,500	138,525	-1%	1,500	1,500		121,175	
55			Gross Revenue	2,231,118	1,935,750	2,178,020	2,742,693	21%	178,600	1,778,020	451,525	2,408,145	
56			Expenses:		-							-	
57			Advertising/Marketing:		-							-	
58			Advertising/Promotion/Marketing	277,211	275,000	338,800	340,000	0%	-	297,000	16,000	313,000	Programs identified in program of work
59			Internet Support & Marketing	233,629	226,000	333,000	333,000	0%		268,650	29,100	297,750	Programs identified in program of work
60			Marketing Collateral	22,865	27,000	29,100	40,000	27%		20,000	10,000	30,000	Programs identified in program of work
61			Media & Communications	65,646	82,000	72,000	98,000	27%		70,000	27,000	97,000	Programs identified in program of work
62			Research	15,512	19,000	25,000	30,000	17%	-	18,000	12,000	30,000	Programs identified in program of work
63			Trade Shows & Sales Missions	24,798	53,500	53,500	80,000	33%		80,000		80,000	Programs identified in program of work
64			Product Development	45,979	50,000	50,000	389,828	87%		389,828		389,828	Increased allocation based on increase in city funding. See attached breakdown of product development initiatives.
65			Meetings/Sales	42,039	61,000	51,500	80,000	36%		80,000		80,000	Programs identified in program of work
66			Regional Programs	6,673	10,000	10,000	15,000	33%		15,000		15,000	Programs identified in program of work
67			Travel, Lodging & Meals	2,360	6,500	5,000	4,100	-22%	1,000	1,000	2,000	4,000	
73			Postage & Delivery	64,786	32,700	83,000	80,200	-3%	1,250	68,950	8,750	78,950	
74			Dues & Subscriptions	10,961	7,500	9,500	11,000	14%		7,480	1,760	9,240	
75			Total Advertising/Marketing	807,400	842,700	1,060,400	1,237,522	14%	3,418	1,314,908	108,646	1,426,972	
79			Total Board Expenses	13,505	6,000	6,600	10,000	34%	7,450	850	850	9,150	
80			Building & Grounds Maintenance	23,674	16,000	20,000	30,000	33%	3,000	9,000	15,000	27,000	
81			Commercial Liability Insurance	2,343	2,700	2,700	4,000	33%	1,000	1,000	1,000	3,000	
82			Community Relations	7,956	5,500	6,500	12,000	46%	-	3,300	1,500	4,800	
83			Computer/Technology	15,961	36,000	11,000	25,000	56%	1,000	8,000	8,000	17,000	
88			Credit Card/Bank Charges	12,369	6,370	6,300	10,450	40%	63	3,396	3,596	7,054	
89			Education & Training	7,046	10,500	15,500	17,300	10%	1,600	8,200	3,500	13,300	
92			Total Equipment Repair & Lease	10,064	14,000	21,000	11,000	-91%	500	3,200	4,100	7,800	
93			Furniture/Fixtures	1,726	1,200	1,200	5,000	76%	1,250	1,250	1,250	3,750	

			FY15 YTD July - April Actuals	FY 2014/15 Budget July 2014- June 2015	FY 2015/16 Budget July 2015- June 2016	FY 2016/17 Budget July 2016-June 2017	% change vs FY16 Budget	Administration/ Operations	Tourism Dept	Visitor Services Dept	Total Public Funds	Notes on significant variations compared to FY16
94		Business Services	1,172	9,000	12,000	14,000	14%		4,000		4,000	
95		Mortgage Payments - Adm. Bldg Interest	11,343	16,800	17,132	15,000	-14%	15,000			15,000	
96		Mortgage Payments - Adm. Bldg Principle	5,442	13,400	12,992	6,500	-100%	6,500			6,500	
97		Mortgage Payments - VC Bldg Interest	13,511	14,100	14,250	17,000	16%			17,000	17,000	
98		Mortgage Payments - VC Bldg Principle	16,088	11,500	11,271	18,000	37%			18,000	18,000	
104		Total Professional Fees	66,035	72,520	79,020	76,500	-3%	18,750	18,750	18,750	56,250	
105		Property Tax	6,085	6,200	4,700	6,500	28%	1,625	1,625	1,625	4,875	
113		Total Salaries & Employee Benefits	553,010	698,417	712,135	783,180	9%	68,700	260,760	313,100	642,560	The increase of the Visitor Center payroll from last year is related to two items. 1.) Call Center staff has been allocated to under the Tourism Department in the past and has now been moved to the Visitor Center Department. You will see that the Visitor Center payroll is up 68% and the Tourism Department payroll is down 79%. 2.) Cost of Living increases have been allocated across departments. The city portion designated to salaries and benefits on both the Tourism Department and the Visitor Center have actually gone down 26%, and 5% respectively from last year as noted on line 130 & 131.
114		Staff Development	9,952	6,000	9,000	15,000	40%	4,000	4,000	3,000	11,000	
115		Storage & Handling	5,903	6,500	7,100	7,300	3%	1,168	1,168	3,796	6,132	
116		Supplies	18,070	18,000	18,000	20,000	10%	2,000	6,000	6,000	14,000	
117		Phone, Internet	21,013	27,300	27,500	26,000	-6%	6,500	6,500	6,500	19,500	
118		Utilities - Gas, Elec., Water, Sewer, Trash	20,640	24,000	24,000	26,000	8%	6,500	6,500	6,500	19,500	
119		Interest Expense	-	-	500	-	-	-	-	-	-	
120		Volunteer Training & Recognition	20,739	23,500	26,500	30,000	12%	-	-	28,000	28,000	
121		Total Expense	1,654,933	1,878,807	2,103,037	2,672,530	21%	142,355.50	1,648,579	549,677		
122		Net Increase (decrease) in unrestricted assets from ops		56,943	74,983	70,163	-7%	36,245	129,441	(98,152)		
123		Cash Flow - Expenditures									-	
124		Capital Acquisitions	1,275	13,000	20,000	5,000	-300%			5,000	5,000	
125		Principal Payments-Admin	5,442	13,400	12,992	6,500	-100%	6,500			6,500	
126		Principal Payments-VC	16,088	11,500	11,271	18,000	37%			18,000	18,000	
127		Reserve Contribution/Contingency		15,000	25,000	25,000	0%	30,000			30,000	
128		Total Cash Flow - Expenditures	22,804	52,900	69,263	54,500	-27%	36,500	-	23,000	59,500	
129		Net Increase (decrease) in unrestricted assets	576,185	4,043	5,720	20,585	72%	(306)	129,441	(121,352)		
130		31% of tourism salaries and benefits		139,683	-				81,406		81,406	Total salaries to be paid by public funding in FY17 = \$341,000 vs
131		83% of visitor services salaries and benefits		412,066	-					259,572	259,572	\$374,839 in FY16, or 9% less
132		Total City Investment						150,000	1,449,828	410,000	2,009,828	The highlighted expenses total \$1,894,154 and do not include any expenses from the Operations department. The difference is \$100,846 which would be left to help cover the Operations.

Notes:

- The Chamber of Commerce & Tourism Bureau budget is comprised of four departments (Admin/Operations, Business Services, Tourism and Visitor Services). The Business Services Department is not publicly funded and the revenue and expenses are not illustrated in this budget.
- 92% of the public funding from the bed tax is allocated to either the Tourism Department or the Visitor Services Department. Overall 8% of public funds (\$150,000) is allocated to the Administrative/Operations Department to help offset operational expenses. This is a new allocation in FY17 due to increased management responsibilities associated with FY17 Program of Work and Product Development initiatives.
- 81% of the total Tourism Department revenue comes from the bed tax allocation. Of the \$1,449,828 public funding allocated to the Tourism Department, 91% is used directly for promotional/sales & product development.
- 72% of the Visitor Services Department revenue is public. The cost to operate the Visitor Services Department is \$549,677. Public funding off-sets operations by 75%. The remaining 25% is covered by private funding.
- The Tourism Department operates at a revenue of \$129,441 (private funds) which is used to off-set the operations of the Visitor Services and the Administrative/Operations Departments.
- The yellow highlighted items represent the expenses that are paid for with public funding.

Current and Evolving Product Development Initiatives					
	Developer	Advocacy	Technical Assistance	Estimated Funding Allocated from TPD line item	Estimated Funding Allocated from other line items
Global Sustainability Tourism Assessment	X	X		\$ 15,000.00	
USFS Trail Funding: Community Trail Renovation and Enhancement		X		\$ 56,000.00	
USFS Trail Funding: Adopt A Trail Program	X	X		\$ 25,000.00	
USFS Trail Funding: Hiking Book	X	X	X		\$ 5,000.00
Secret Seven	X	X	X	\$ 20,000.00	
Sedona Verde Valley Geotourism	X	X	X	\$ 10,000.00	\$ 5,000.00
Restaurant Week Events	X	X	X		\$ 10,000.00
Holiday Central Sedona / Winter Wonderland Campaign	X	X	X		\$ 50,000.00
Sedona Performing Arts Center: Assessment of venue/equipment & establishment of SPAC Community		X	X	\$ 10,000.00	
Public Art Map & Web App	X	X	X	\$ 5,000.00	
Transportation Master Plan & Solutions		X	X	\$ 230,000.00	
Walk Sedona Program	X	X	X	\$ 19,000.00	\$ 5,000.00
Bike Share Feasibility Program	X	X	X	NA	
Community Focus Areas		X	X	NA	
Total Amount allocated for Product Development initiatives				\$ 390,000.00	\$ 75,000.00

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SEDONA

CHAMBER OF COMMERCE
& TOURISM BUREAU



1. Tourism Builds Community
2. Return on Investment
3. Sustainable Approach
 - Quality not Quantity
4. Refined Approach
 - Gas / Break
5. Product Development

1

TOURISM BUILDS COMMUNITY

TOURISM BUILDS COMMUNITY

SEDONA
ARIZONA

SEDONA VISITORS ADD



\$10
MILLION

IN LOCAL TAX DOLLARS

VISITORS GENERATE
MORE THAN

65%

OF THE CITY'S GENERAL
OPERATING FUND



TOURISM SUPPORTS
MORE THAN

10,000
JOBS

SEDONA TOURISM
GENERATES NEARLY

\$200
MILLION

IN WAGES ALONE


THE TYPICAL VISITOR
TO SEDONA STAYS*

3.1

DAYS

THE TYPICAL OVERNIGHT
VISITOR PARTY SPENT*

\$520 **PER DAY**



WHILE IN
SEDONA

* BRC Sedona Visitor Survey 2015

2

RETURN ON INVESTMENT

Bed Taxes Collected On Rooms

\$1,719,412 = ↑ \$248,130 INCREASE FEB YTD 2016
VS FEB YTD 2015

YIELDING

↑ \$7,443,900 INCREASE IN DIRECT SPENDING ON ROOMS

Sales Taxes Collected

\$9,140,772 = ↑\$1,012,283 INCREASE FEB YTD 2016
VS FEB YTD 2015

YIELDING

↑\$30,368,490 MORE INFUSED IN SEDONA'S ECONOMY IN
FEB YTD 2016 VS FEB YTD 2015

RETURN ON INVESTMENT

\$1 = \$39.65

\$1.2mill

Investment

\$52.6mill

Estimated
Future Direct
Expenditures

\$18.6mill

Wages

Top Sectors Impacted with
Increased Sales using Taxable
Sales as a proxy for direct
expenditures:

Hotels
\$15.42 mill

Food Services
\$12.6 mill

Amusement & Recreation
\$5.35 mill

Building Maintenance
\$368,354

Marketing
\$570,647

Construction
\$521,424

Accounting
\$356,223

Health Practitioners/Hospitals
\$1.2 mill

Retail
\$6.99 mill

**660
Jobs**



3

SUSTAINABLE APPROACH




NATIONAL GEOGRAPHIC




 A travel guide to the places most respected and recommended by locals.  NATIONAL GEOGRAPHIC

SEDONA VERDE VALLEY

[PLACES TO GO](#) [WHERE TO STAY](#) [THINGS TO DO](#) [Trip Plans](#) [Local Voices](#) [About](#) 



The Verde River in Clarkdale is a beautiful and fun stretch for people of all ages. – Doug Von Gausig



GLOBAL SUSTAINABLE TOURISM COUNCIL

- Establishes global sustainable standards with the aim of increasing sustainable tourism practices
- Sedona Assessment (June 8-10)
- FOUR main themes of destination sustainability:
 - (1) sustainability management
 - (2) economic benefits to the community
 - (3) community, visitor, and cultural well-being
 - (4) environmental protection
- Requires continuing commitment and collaboration among wide-ranging stakeholders in everyday decision-making

SUSTAINABLE APPROACH

SEDONA
ARIZONA



SUSTAINABLE APPROACH

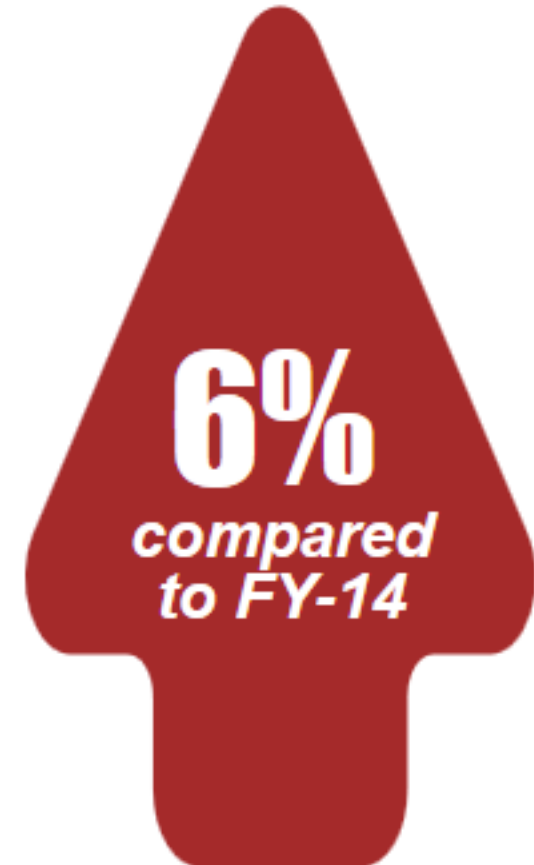
SEDONA
ARIZONA



**QUALITY
NOT
QUANTITY**

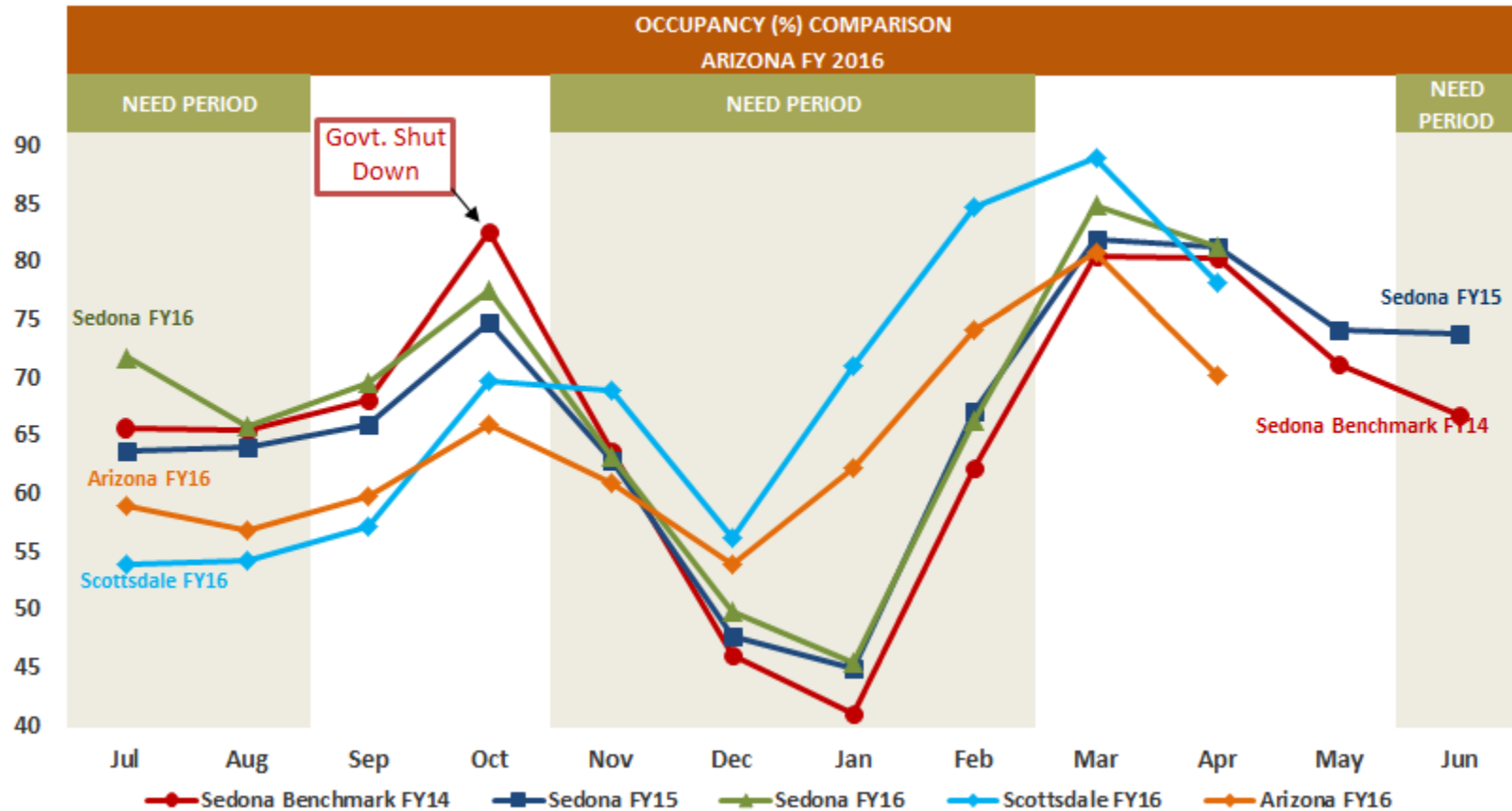
**2,800,000
Visitors in
FY-15**

**4,700,000
Visitor
Days**



Average Occupancy Rate Comparison Arizona

FY-16 Average Occupancy YTD = 67.6%, up 4% (July 2015 – April 2016)
and up 4% compared to FY-14 (benchmark year)

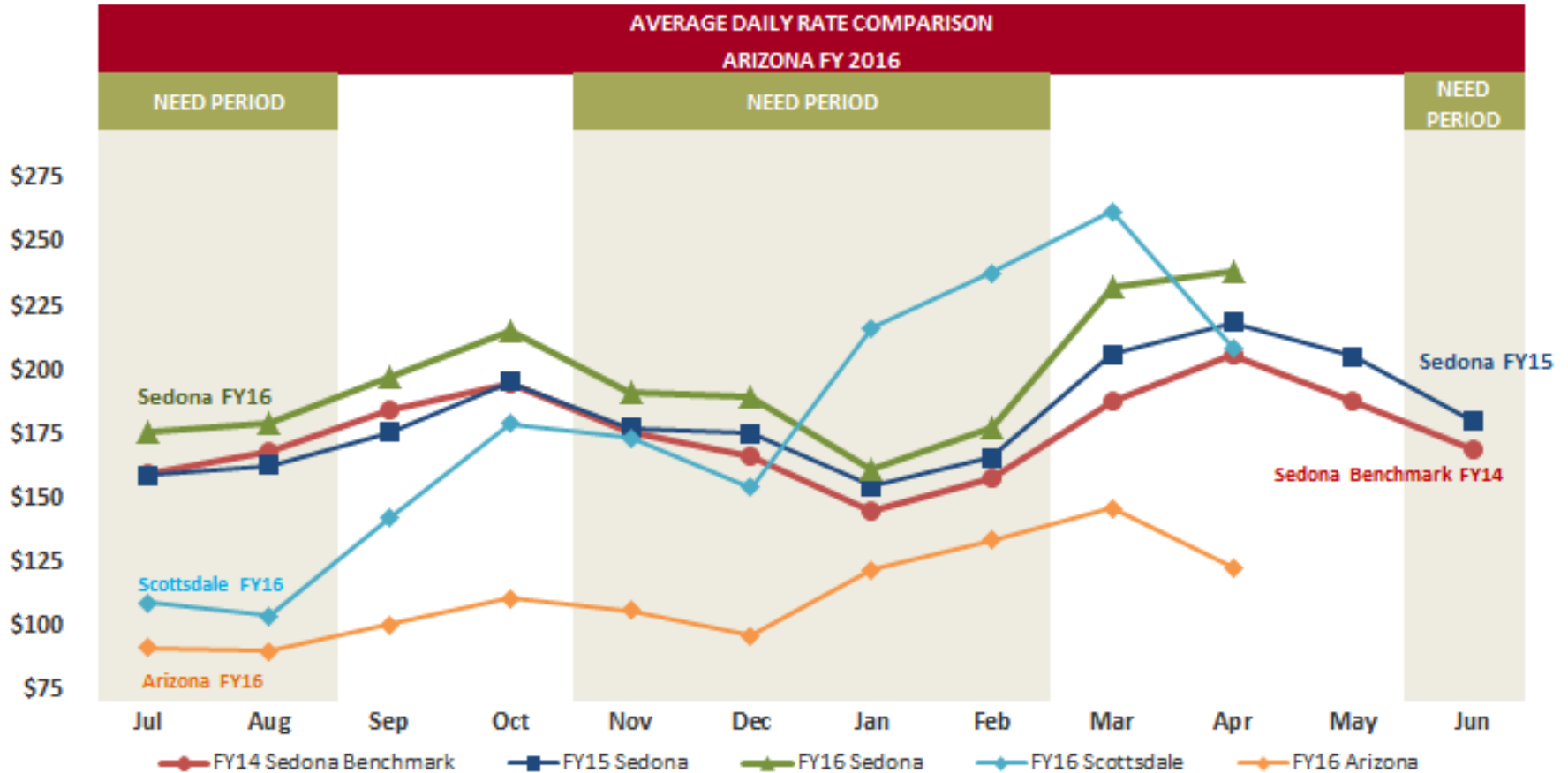


% Occupancy Changed

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY16 v FY14	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014
	9.3%	0.6%	2.2%	-6.1%	-0.6%	8.0%	10.7%	7%	5%	1%			4%

Average Daily Rate Comparison Arizona 2015

**2015 Average Daily Rate for Rooms YTD - \$196, up 9% (July 2015 – April 2016)
and up 12% compared to FY-14 (benchmark year)**



% ADR Changed

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY16 v FY14	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014
	10.1%	6.8%	7.0%	10.6%	8.8%	13.8%	11.5%	12.4%	23.8%	15.9%			12%

4

REFINED APPROACH

REFINED APPROACH

SEDONA
ARIZONA



- ✓ Advertising / Promotions
- ✓ Internet Marketing
- ✓ Fulfillment / Postage



- ✓ **Group / Meeting Sales**
- ✓ **Travel Distribution System (FIT, International)**
- ✓ **Public Relations**
- ✓ **Research**
- ✓ **Product Development**

5

FOCUS ON PRODUCT DEVELOPMENT

TPDC Mission Statement

Assist in Sedona tourism development that promotes the visitor industry's long term viability, while enhancing resident's quality of life.

*Generate Room
Demand in
Non-Peak
Periods*

*Speak to both
external visitors
and internal
resident desires*

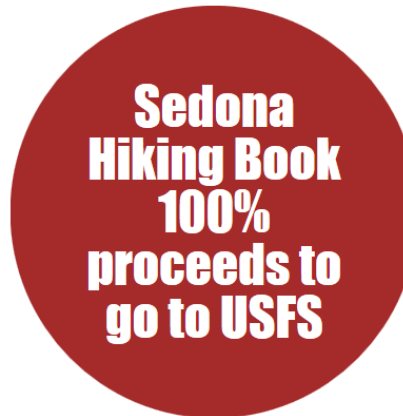
*Align and
reinforce key
Sedona brand
elements*

*Ensure ability
of partner to
effectively
execute*



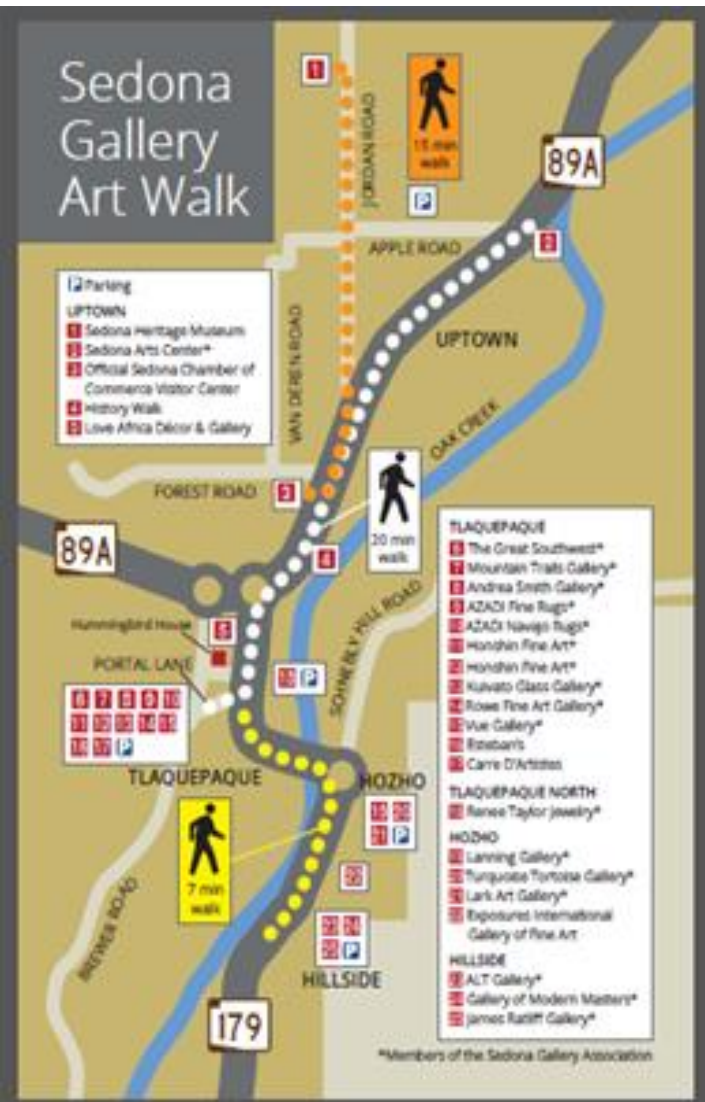


\$390,000



PRODUCT DEVELOPMENT

SEDONA
ARIZONA



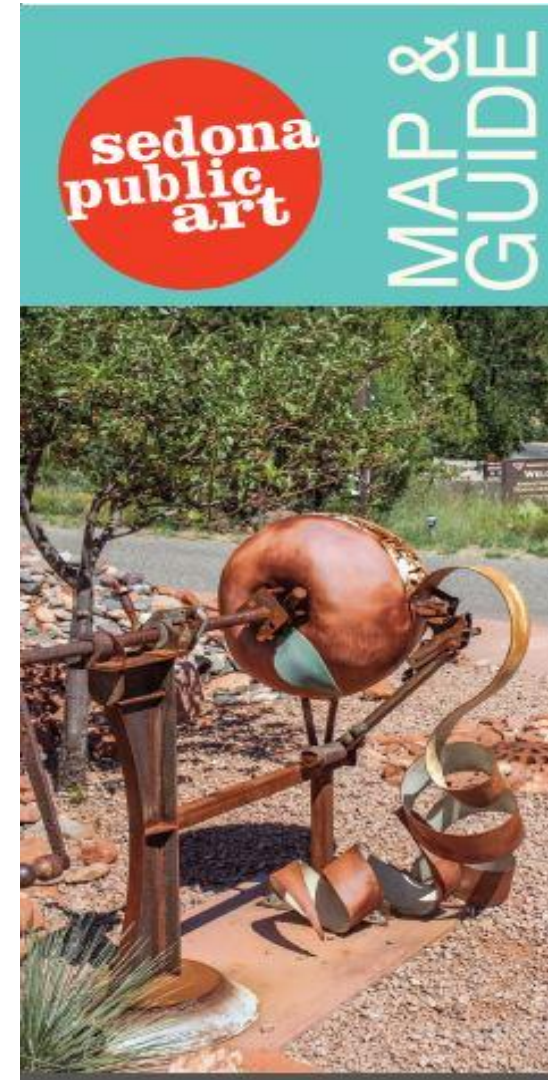
Online version to come



SPAC Community Arts Fund



Culinary Arts Event



Online version to come

Kimley»Horn



PRODUCT DEVELOPMENT

Current and Evolving Product Development Initiatives					
	Developer	Advocacy	Technical Assistance	Estimated Funding Allocated from TPD line item	Estimated Funding Allocated from other line items
Global Sustainability Tourism Assessment	X	X		\$ 15,000.00	
USFS Trail Funding: Community Trail Renovation and Enhancement		X		\$ 56,000.00	
USFS Trail Funding: Adopt A Trail Program	X	X		\$ 25,000.00	
USFS Trail Funding: Hiking Book	X	X	X		\$ 5,000.00
Secret Seven	X	X	X	\$ 20,000.00	
Sedona Verde Valley Geotourism	X	X	X	\$ 10,000.00	\$ 5,000.00
Restaurant Week Events	X	X	X		\$ 10,000.00
Holiday Central Sedona / Winter Wanderland Campaign	X	X	X		\$ 50,000.00
Sedona Performing Arts Center: Assessment of venue/equipment & establishment of SPAC		X	X	\$ 10,000.00	
Public Art Map & Web App	X	X	X	\$ 5,000.00	
Transportation Master Plan & Solutions		X	X	\$ 230,000.00	
Walk Sedona Program	X	X	X	\$ 19,000.00	\$ 5,000.00
Bike Share Feasibility Program	X	X	X	NA	
Community Focus Areas		X	X	NA	
Total Amount allocated for Product Development initiatives				\$ 390,000.00	\$ 75,000.00

PART OF THE SOLUTION







SEDONA

ARIZONA

Questions & Answers



Report to City of Sedona

May 2016

Representing January - March 2016 Results



The Sedona Chamber of Commerce & Tourism Bureau has been awarded accreditation from the Destination Marketing Accreditation Program (DMAP). The DMAP accreditation requires Destination Marketing Associations to demonstrate compliance composed of 58 mandatory standards, and is globally recognized by the destination marketing industry as the highest achievement in destination excellence.

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Executive Summary

This report evaluates the efforts of the Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) as it relates to Marketing, Public Relations, Sales, Product Development and Visitor Services for the time period of January – March 2016, also known as the third quarter of the fiscal year (Q3). See page 12 for Contractual Performance Standards that reflect the status of annual goals per department.

During Q3, the SCC&TB:

- Finalized, printed and began distribution of the 2016/2017 Experience Sedona Guide, Hometown Guide, and Destination Event Planner.
- Monitored the winter campaign and made adjustments along the way to ensure a successful implementation. This campaign helped us reach well above our annual goals for visitor guide inquires YTD (270%), overall paid marketing impressions YTD (133%) and video views generated YTD (265%).
- Continued to nurture our existing database of potential visitors through our professional consumer eNewsletters and developed the highest open rate in over two years.
- Began planning the campaign for the upcoming summer need season.
- Partnered with Destination Marketing Association International (DMAI) to market and promote Sedona's meeting and event venues through DMAI's EmpowerMint.com database – a web portal for meeting planners to search and compare multiple destinations.
- Attended and worked ABA (American Bus Association) Marketplace, where we met with over 30 domestic and Canadian motorcoach operators.
- Published dynamic new meetings and travel trade pages on VisitSedona.com.
- Nearly doubled our previous highest Facebook reach at 1,401,994 with the Sedona Drone Tour video. This video also had 580,000 views and 18,000 shares.
- Saw increases in all of our YTD Visitor Center metrics compared to the prior year:

	YTD (July 2015 – March 2016)
Walk-in Visitors	Up 18%
Visitor Phone Calls	Up 5%
Visitor Emails	Up 42%
ESGs sent to potential visitors	Up 46%
Online ESG Views	Up 80%
ESG distributed (to other locations)	Up 4%

The success of our efforts are illustrated through lodging metrics – Occupancy and Average Daily Rate (ADR) – which are key in evaluating the performance of Sedona's tourism industry.

Occupancy Highlights, Year-To-Date (YTD) July 2015 - March 2016

- Occupancy is up 4%.
- Sedona occupancy is maintaining a steady 4% growth year-over-year not only compared to FY15, but also compared to FY14 which is considered our benchmark year before the bed tax allocation destination marketing contract.

ADR Highlights, Year-To-Date (YTD) July 2015 - March 2016

- ADR is up 9%.
- YTD ADR remains the main source of growth for the Sedona market and ADR is anticipated to lead growth for the remainder of the year.

These lodging metrics are important because we know that, on average, for every \$1 spent on lodging, \$4 is spent in the community. Correlating bed tax revenues have returned to near pre-recession levels of 2006-2007. The numbers below reflect July 2015 – February 2016 tax collections. This is the most recent report available (provided by the City of Sedona).

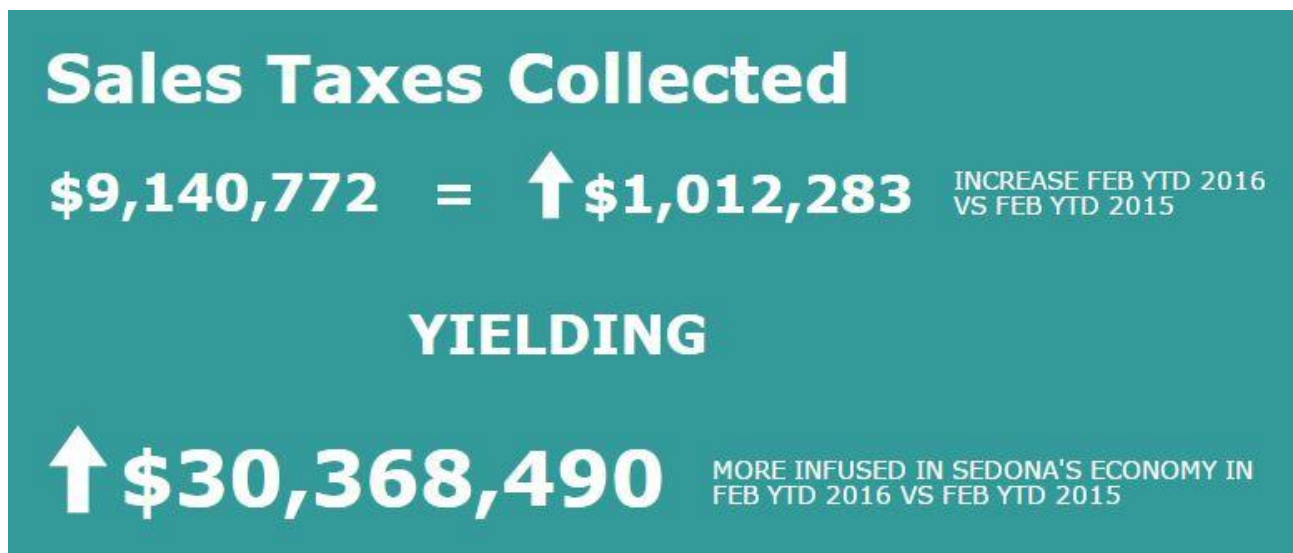
- \$1,719,412 in bed tax was collected on lodging rooms alone YTD through February 2016, resulting in a 14% increase (\$248,130) over previous year's actuals. That means \$7,443,900 more was spent on rooms July 2015 - February 2016 compared to the same period last fiscal year.
- Sales tax collections for this same time period were up 11% (\$1,012,283) compared to last year, yielding an increase of \$30,368,490 more infused into Sedona's economy. That's an extra \$30 million+ dollars flowing through Sedona's economy to help pay higher wages, trickle through Sedona's professional services and into the pockets of our builders, contractors, bankers, bakers, residents and non-profit organizations.

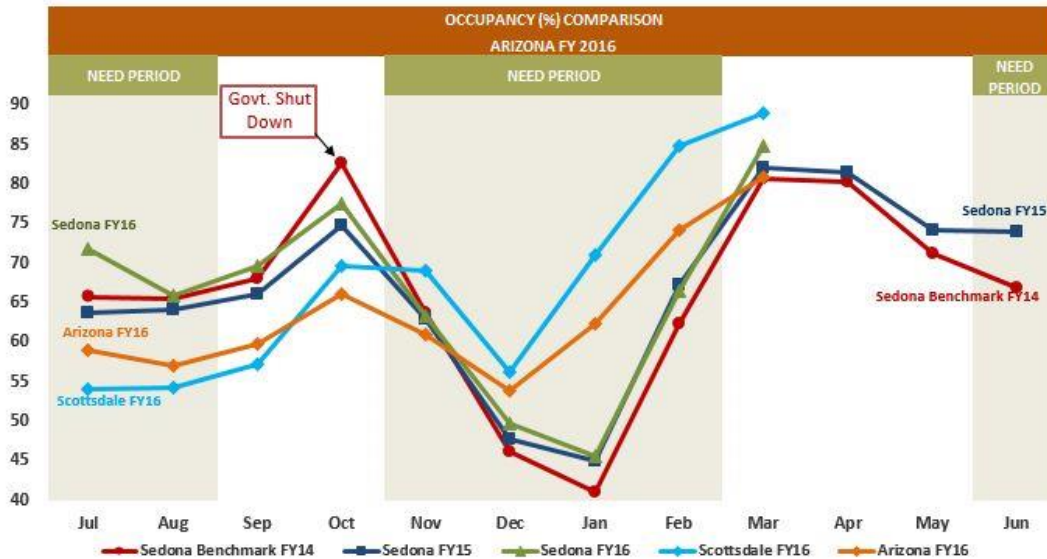
Tourism Product Development is another initiative that the SCC&TB leads. "Tourism Product" either creates, links, or enhances products or experiences that make Sedona attractive to our visitors. In Q3, the SCC&TB and the Tourism Product Development Committee worked on evolving many of the current long-range programs; worked towards the transportation master plan development; and, began discussions about our third Focus Area – Wellness Tourism.

\$1,719,412 in bed tax was collected on lodging rooms alone YTD through February 2016, resulting in a 14% increase (\$248,130) over previous year's actuals. That means \$7,443,900 more was spent on rooms July 2015 - February 2016 compared to the same period last fiscal year.



Sales tax collections for this same time period were up 11% (\$1,012,283) compared to last year, yielding an increase of \$30,368,490 more infused into Sedona's economy. That's an extra \$30 million+ dollars flowing through Sedona's economy to help pay higher wages, trickle through Sedona's professional services and into the pockets of our builders, contractors, bankers, bakers, residents and non-profit organizations.





Occupancy %

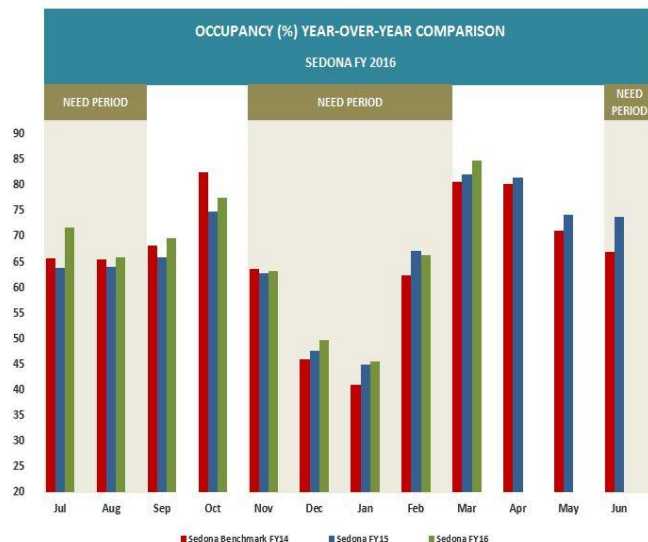
FY16	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
	71.4	65.4	69.2	77.5	63.2	49.8	44.1	66.4	84.9				66.1

% Occupancy Changed

FY16 v FY14	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014
	9.3%	0.6%	2.2%	-6.1%	-0.6%	8.0%	10.7%	7%	5%				4%

FY16 v FY15	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015
	12.5%	2.8%	5.5%	3.7%	0.6%	4.4%	1%	-1%	4%				4%

FY16 INDEX	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2015	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	FY16
	121%	122%	115%	118%	104%	92%	73%	90%	105%				104%



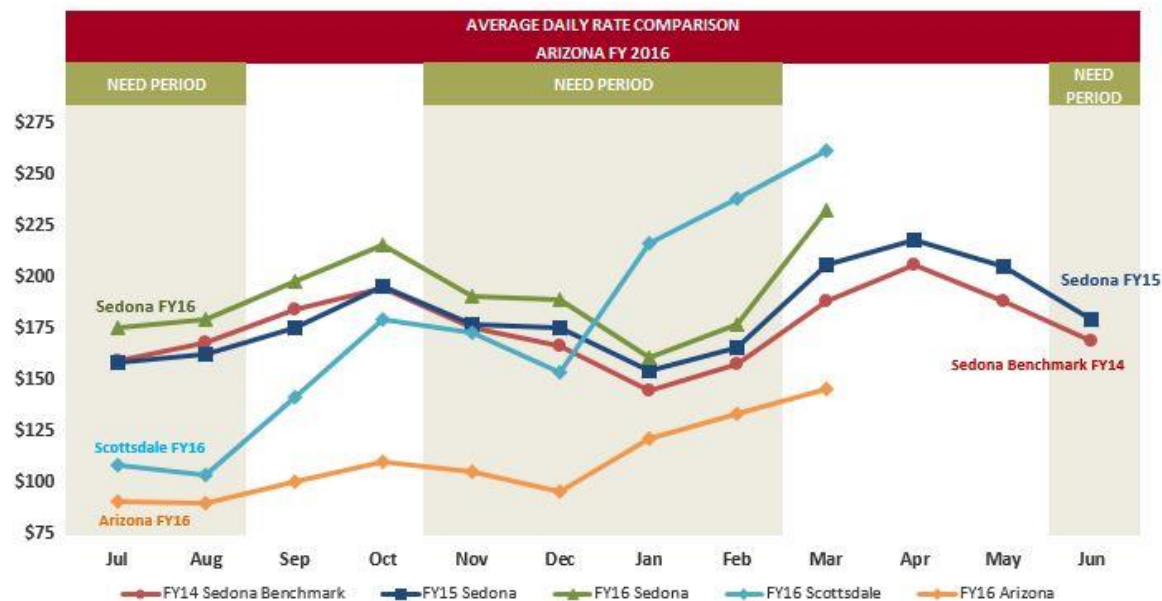
Analysis: The above graph compares the average occupancy rates of Arizona, Scottsdale and Sedona across FY16 against FY14 and FY15. FY14 is considered the benchmark year before the new 55% bed tax allocation destination marketing contract.

Index refers to Sedona's market penetration compared to Sedona's competitive set that includes Santa Fe, Scottsdale, Napa/Sonoma, Park City and other similar destinations.

January thru March FY16 continue to outpace Benchmark FY14 with increases of 11% in January, 7% in February and 5% in March. Sedona's FY16 occupancy rates were comparable to FY15 for January and February and a 4% increase in March. Sedona occupancy is maintaining a steady 4% growth year-over-year compared to FY14 and FY15.

The US Travel Association is forecasting an overall 3% occupancy growth rate in both domestic & international travel for 2016.

Source: Smith Travel Research. This report reflects 2,374 hotel and B&B room nights which represents Sedona area properties with 16 or more rooms excluding timeshare. Non-reporting hotels represent 27% of total room nights and STR assigns an estimated occupancy and ADR based on their chain scale classification and tract tier or tract scale. Non-reporting independent hotels (most non-reporting hotels are independents) are assigned occupancy and ADR based on their tract tier classification and area performance.



ADR

FY16	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
	175.84	179.34	197.77	215.67	191.05	189.35	161.42	177.44	232.90				191.20

% ADR Changed	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY16 v FY14	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2015 v 2013	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014	2016 v 2014
	10.1%	6.8%	7.0%	10.6%	8.8%	13.8%	11.5%	12.4%	23.8%				12%

FY16 v FY15	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2015 v 2014	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015	2016 v 2015
	10.7%	10.2%	12.7%	10.3%	7.6%	8.0%	4.5%	7.1%	13.0%				9%

FY16 INDEX	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	FY16
	193%	200%	197%	195%	181%	197%	133%	133%	160%				176%

Analysis: This graph compares the average daily rate of Arizona, Scottsdale and Sedona across Fiscal Year 2016 (July 2015 – June 2016) against Fiscal Years 2014 and 2015. FY14 is considered the benchmark year before the new 55% bed tax allocation destination marketing contract. Index refers to Sedona's market penetration compared to Sedona's competitive set that includes Santa Fe, Scottsdale, Napa/Sonoma, Park City and other similar destinations.

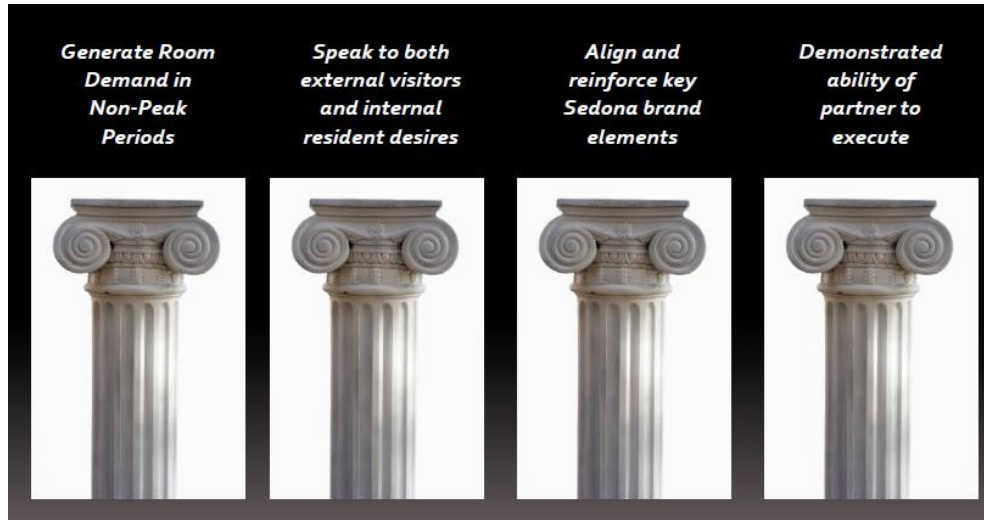
Properties that had fallen behind in STR data reporting were caught up in February resulting in prior month revisions. There was a minimal effect on occupancy rates, however, ADR revisions resulted in a slight upward adjustment to overall ADR performance. Sedona's FY16 February ADR grew 7.1% over FY15 and 12% over FY14. March ADR realized a 13% growth over FY15 and 23.8% over FY14. YTD growth is 9% for FY16 compared to FY15 and 10% for FY16 compared to FY14. YTD ADR remains the main source of growth for the Sedona market and ADR is anticipated to lead growth for the remainder of the year.

Source: Smith Travel Research. This report reflects 2,374 hotel and B&B room nights which represents Sedona area properties with 16 or more rooms and not including timeshare. Non-reporting hotels represent 27% of total room nights and are assigned an estimated occupancy and ADR based on their chain scale classification and tract tier or tract scale. Non-reporting independent hotels (most non-reporting hotels are independents) are assigned occupancy and ADR based on their tract tier classification and area performance.

Tourism Product Development Program

Tourism product development has become a stronger focus for the SCC&TB when, in 2014, the organization took a leadership role in proactively launching and managing a Tourism Product Development Committee (TPDC). The shift towards product development has allowed us to move from asking the traditional question of: This is our product. How do we sell it? To asking a more strategic question: This is our target customer. What product do they want?

Interest in Tourism Product Development continues to grow, and subsequently, new initiatives must be able to address each of the following four pillars of criteria in order to be executed upon.



In the third quarter of FY16, the TPDC continued to move existing programs forward (transportation master plan and potential solutions; Sedona Verde Valley Geotourism; Sedona Performing Arts Center Community Arts Fund and venue assessment; among others) and held discussions of product development in a third focus area: Wellness. Wellness tourism (representing a \$439 billion industry) is growing 50% faster than other tourism niches, according to a recent survey performed by the Global Wellness Summit. And while wellness tourism was previously defined as travel for the purpose of promoting health and well-being solely through physical, spiritual or psychological activities, the paths to wellness are becoming much broader. SpaFinders' *State of Wellness Travel Report* indicated that Gen Xers – our primary target audience – are interested in having a full range of wellness components to choose from such as: outdoor adventure programs, environmentally-friendly properties, and properties that “do good” for the local community or have voluntourism programs. USTA.org



Following are the product development initiatives that were in-the-works during Q3 FY16. The TPDC typically assists new product development in one of four ways:

1. **Development** - They serve as the lead developer of the program.
2. **Advocacy** - They can be a voice of advocacy for projects that address the committee's mission and pillars, speaking with Sedona political and business leaders, as well as area residents. Often this type of support can be critical in moving a project forward.
3. **Technical Assistance** - Technical assistance (may or may not be funded) can be provided for products looking to more extensively evaluate market or financial feasibility, or to better evaluate potential alignments with other products and services already positioned in Sedona. Technical expertise is provided by the members of the committee.
4. **Funding Assistance** - Projects could receive funding assistance through the TPDC.

Current and Evolving Product Development Initiatives				
	Developer	Advocacy	Technical Assistance	Funding Allocated
Global Sustainable Tourism Assessment	✓	✓		✓
Red Rock Trail Fund	✓	✓		✓
Sedona's Secret 7 Campaign	✓	✓		✓
Sedona Verde Valley Geotourism	✓	✓		✓
Restaurant Week Events	✓	✓		✓
Sedona Performing Arts Center: Assessment of venue/equipment & establishment of SPAC Community Arts Fund (\$10,000 FY16; \$10,000 FY17)	✓	✓	✓	✓
Public Art Map Brochure & Web App	✓	✓		✓
Transportation Master Plan & Solutions		✓		✓
Walk Sedona Program	✓	✓		✓
Bike Share Feasibility Study	✓	✓	✓	
CFAs, Western Gateway		✓	✓	



Winter Campaign Summary

In the month of December we launched the Winter Campaign which continued through mid-February. By using a "Red Rock Wonderland" theme, we targeted Phoenix metropolitan area residents positioning Sedona as a charming escape when Phoenixians are looking for a close, wintery retreat without the extreme weather often experienced elsewhere in-state (Flagstaff, Payson or Prescott). Our successful efforts included the following:

- Phoenix Digital Billboards
 - Twelve billboards generated a total of 18.6 million impressions. (creative sample below)
- Social Media Advertising
 - An integrated social media advertising program that encouraged both user engagement and visitation to VisitSedona.com, using
 - i. Facebook Page Like Campaign
 - ii. Facebook Website Click Campaign
 - iii. Facebook Video Views Campaign
 - iv. Instagram Carousel Ads
 - Generated 2,004,741 total impressions and above-industry average engagement rates. (final campaign social media advertising results below)
- Two new 15 second winter-themed television spots were created and placed on KPNX, KNXV and KSAZ, and generated a combined total of 1,780,596 impressions.
- RedRockWonderland.com custom Winter Campaign landing page with "Sedona Winter" videos. This landing page also housed the promotion of Holiday Central Sedona – our month-long December event that showcased over 40 city-wide festivals and activities.



Final Campaign Stats

Impressions: 2,004,741 Impressions

Reach: 444,708 People

Actions: 373,104 Actions

Total Page Likes: 5,241 Likes

Total Website Clicks: 3,325 Clicks

Average Relevance Score: 6.5

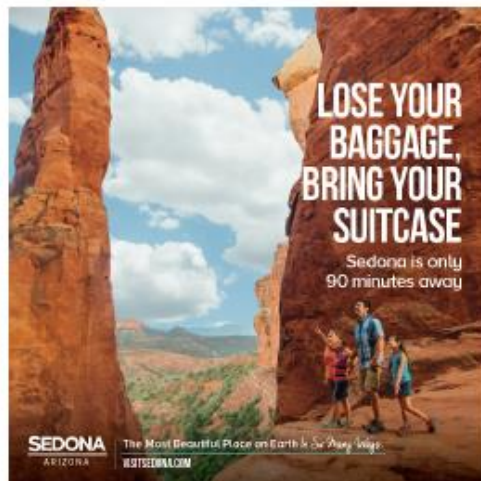
(Industry Average: 2)

Advertising & Marketing

Our visitors create word-of-mouth referrals, and it is the SCC&TB's job to be a catalyst for that conversation by way of marketing, advertising, sales and communications.

- **Phoenix Airport Advertising: December - February**

- Target: Traveling Consumer
- Four NEW Phoenix airport backlit ads targeting Phoenix visitors (see creative below)
- Located throughout Sky Harbor International Airport
- Earning a total of 3,500,000 impressions during winter marketing months.
- This effort allows us to target event attendees flying into Phoenix and capitalize on the influx of visitation during Phoenix's peak season.



- **Trip Advisor: July 2015 - March 2016**

- Target: Potential visitors in "Inspiration" stage of travel planning
- 250,501 page views and 463,952 total views
- Banner advertising received nearly 2.4 million impressions.
- Members' ads consistently receive higher-than-average results (Industry Standard Banner Ad CTR = .08%; Trip Advisor Banner Ad CTR = .10%).

- **Key 360 Media: July 2015 – March 2016**

- Target: Phoenix Metro Area Traveling Consumer and Valley Concierge
- The monthly full-page ads have generated 270,000 impressions.
- The correlating social media package garnered nearly 1.5 million impressions.

- **YouTube Channel: July 2015 – March 2016**

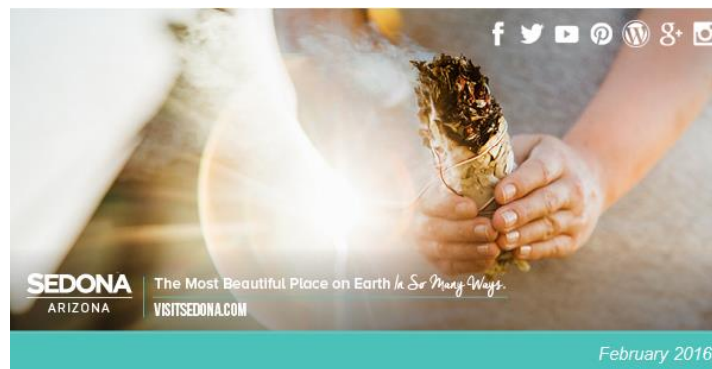
- Target: Visitors and potential visitors
- Nearly 300,000 views/clicks
- Viewers watched nearly 100,000 minutes' worth of our videos.
- The most popular video in February was the Sedona Drone Tour, followed by the Sedona Skies Video.

- **Native Content: February**

- Target: Potential visitors in "Inspiration" stage of travel planning
- The three content pieces that were written and ran in February with the Wellness in Sedona theme performed well with 761 views and all of them with engagement times higher than the website average. While these articles were originally written to support the February eNewsletter, they will continue to drive significant traffic to VisitSedona.com as they are relevant year-round.

- **Consumer eNewsletter: February**

- Target: Potential visitors in "Inspiration" stage of travel planning; Visitors in nurturing stage of relationship marketing.
- The February Consumer eNewsletter blasted to 139,276 opted in subscribers. Metaphysical and Spiritual Healing content coincided with the February "Renewal & Well Being" theme. The eNewsletter performed very well with the average Click Thru Rate being .46% above our normal average. The highest clicked URL for this eNewsletter was the "Read More" button for the story "Sedona's History as a Wellness Destination." This eNewsletter saw an open rate of over 29% - the highest open rate of our eNewsletters over the past two years! This is a result of ongoing analyzation of our work, and subsequent adjustments along the way to maximize our efforts.



Sedona's History as a Wellness Destination

Sedona's reputation as a place of spiritual power is nothing new. The Native Americans that once resided here regarded Sedona as sacred, and the red rock landscape served as a revered meeting ground. The more things change, the more they stay the same. Read why Sedona is still a place that draws people seeking to renew, to heal and to transform.

[Read More](#)

Contractual Performance Standards			
July 2015 - March 2016			
Marketing			
	<i>July - March</i>	<i>Annual Goal</i>	<i>% of Annual Goal</i>
Generate no less than 30,000 inquiries from targeted customers in Domestic and International markets	81,088	30,000	270%
Generate a minimum of 1,200,000 unique visitors to VisitSedona.com	1,010,747	1,200,000	84%
Generate 50,000,000 overall paid impressions for Sedona	66,421,306	50,000,000	133%
Generate \$250,000 in partnership cooperative revenue	\$239,077	250,000	96%
Reach 100,000 views on Sedona Skies video	265,388	100,000	265%
Public Relations			
	<i>July - March</i>	<i>Annual Goal</i>	<i>% of Annual Goal</i>
Generate 1,000 travel articles about Sedona	2,811	1,000	281%
Reach a minimum of 200 million impressions through editorial placement and social media	199,170,568	200,000,000	100%
Generate publicity with an equivalent advertising value of at least \$10 million	10,246,022	10,000,000	102%
Assist 500 media professionals	333	500	67%
Grow overall social media fan base by 10%	113,563	100,000	114%
Group / Meeting Sales			
	<i>July - March</i>	<i>Annual Goal</i>	<i>% of Annual Goal</i>
Generate 45 group sales RFPs for Sedona properties	77	45	171%
Conduct 15 customer site inspections/FAM tours	10	15	67%
Confirm 30 group bookings for future dates	24	30	80%
Confirm group bookings for future dates resulting in 2,500 room nights	3,398	2,500	136%
Generate 11,000 impressions (online and print) for Destination Event Planner	7,189	11,000	65%
Travel Trade Industry Sales			
	<i>July - March</i>	<i>Annual Goal</i>	<i>% of Annual Goal</i>
Generate 65 Domestic and International hotel leads and service request leads	35	65	54%
Reach out to 330 travel trade professionals at tradeshow and sales missions to promote Sedona	268	330	81%
Reach out to over 2,700 targeted clients per quarterly e-newsletter communications	3,139	2,700	116%
Produce 800 service request referrals for Sedona businesses	661	800	83%
Conduct 20 travel trade professionals FAM tours	22	20	110%
Visitor Services			
	<i>July - March</i>	<i>Annual Goal</i>	<i>% of Annual Goal</i>
Manage the Uptown Visitor Center 7 days a week, 59.5 hours per week (excluding two holidays) with professional staff and trained volunteers (# of hours open)	2,850	2,940	97%
Manage and assist 300,000 walk-in visitors	220,450	300,000	73%
Manage and assist 7,500 visitor inquiries via phone and email	6,425	7,500	86%
Produce and distribute 250,000 Sedona Visitor Guides	171,236	225,000	76%

Financial Report

July 2015 - March 2016

				TOTAL	TOURISM DEPARTMENT				VISITOR SERVICES DEPARTMENT		
				FY 2016 Budget July 2015- June 2016	FY16 Budget Admin	FY16 Budget Tourism	Actuals July 2015 - March 2016	% of Total Tourism Budget	FY16 Budget Visitor Services	Actuals July 2015 - March 2016	% of Total Visitor Services Budget
1	Ordinary Revenue/Expense										
2	Revenue:										
3			City of Sedona	\$ 1,453,100		\$ 1,133,100	\$ 1,313,109	116%	\$ 320,000	\$ 320,000	100%
4			Banner Advertising	\$ 136,000		\$ 131,000	\$ 87,371	67%	\$ -		
5			Co-op Ads/Promotion/Tradeshow	\$ 63,000	\$ -	\$ 63,000	\$ 37,200	59%	\$ -		
6			Total Membership Revenue	\$ 282,120	\$ -	\$ 1,000	\$ 42	4%	\$ -		
7			Tourism Bureau Revenue	\$ 128,000	\$ -	\$ 128,000	\$ 77,915	61%	\$ -		
8			Total Event Revenue	\$ 60,700	\$ 30,000		\$ -		\$ 1,000	\$ 1,000	100%
9			Total Royalty Revenue	\$ 41,800	\$ -	\$ 36,800	\$ 27,389	74%	\$ -		
10			Total Sales Revenue	\$ 146,500	\$ -	\$ -			\$ 146,500	\$ 141,290	96%
11			Total Other Revenue	\$ 7,300	\$ 300	\$ -			\$ 7,000	\$ 6,287	90%
12			Total Revenue	\$ 2,318,520	\$ 30,300	\$ 1,492,900	\$ 1,543,025	103%	\$ 474,500	\$ 468,578	99%
13			Total Cost of Goods Sold	\$ 140,500		\$ 2,000	\$ 1,123	56%	\$ 115,000	\$ 110,943	96%
14			Gross Revenue	\$ 2,178,020	\$ 30,300	\$ 1,490,900	\$ 1,541,902	103%	\$ 359,500	\$ 357,635	99%
15			Expenses:	\$ -							
16			Advertising/Marketing:	\$ -							
17			Advertising/Promotion/Marketing	\$ 338,800	\$ -	\$ 295,000	\$ 228,995	78%	\$ 18,800	\$ 17,187	91%
18			Internet Support & Marketing	\$ 333,000		\$ 265,000	\$ 185,364	70%	\$ 30,000	\$ 24,071	80%
19			Marketing Collateral	\$ 29,100		\$ 15,100	\$ 11,914	79%	\$ 5,000	\$ 3,887	78%
20			Media & Communications	\$ 72,000		\$ 54,000	\$ 62,007	115%	\$ 17,000		
21			Research	\$ 25,000	\$ -	\$ 15,000	\$ 9,417	63%	\$ 10,000		
22			Trade Shows & Sales Missions	\$ 53,500		\$ 53,500	\$ 21,645	40%			
23			Product Development	\$ 50,000		\$ 50,000	\$ 41,150	82%			
24			Meetings/Sales	\$ 51,500		\$ 51,500	\$ 39,844	77%			
25			Regional Programs	\$ 10,000		\$ 10,000	\$ 5,874	59%			
26			Travel, Lodging & Meals	\$ 5,000		\$ 2,000	\$ 522	26%	\$ 2,000	\$ 1,609	80%
27			Postage & Delivery	\$ 83,000		\$ 77,400	\$ 60,895	79%			
28			Dues & Subscriptions	\$ 9,500		\$ 6,500	\$ 7,538	116%	\$ 1,500	\$ 1,502	100%
29			Total Advertising/Marketing	\$ 1,060,400		\$ 895,000	\$ 668,487	75%	\$ 84,300	\$ 50,226	60%
30			Total Board Expenses	\$ 6,600	\$ 5,100	\$ 500	\$ 431	86%	\$ 500	\$ 431	
31			Building & Grounds Maintenance	\$ 20,000	\$ 2,000	\$ 6,000	\$ 4,124	69%	\$ 10,000	\$ 5,449	54%
32			Commercial Liability Insurance	\$ 2,700	\$ 675	\$ 675	\$ 586	87%	\$ 675	\$ 586	87%
33			Community Relations	\$ 6,500	\$ -	\$ 2,000	\$ 2,209	110%	\$ 500	\$ 559	112%
34			Computer/Technology	\$ 11,000	\$ 500	\$ 3,500	\$ 3,585	102%	\$ 3,500	\$ 3,574	102%
35			Credit Card/Bank Charges	\$ 6,300	\$ 30	\$ 3,530	\$ 2,872	81%	\$ 2,210	\$ 3,605	163%
36			Education & Training	\$ 15,500	\$ 1,500	\$ 8,000	\$ 2,687	34%	\$ 3,500	\$ 866	25%
37			Total Equipment Repair & Lease	\$ 21,000	\$ 500	\$ 6,275	\$ 2,305	37%	\$ 7,950	\$ 2,895	36%
38			Furniture /Fixtures	\$ 1,200	\$ 300	\$ 300	\$ 71	24%	\$ 300	\$ 607	202%
39			Membership Services	\$ 12,000		\$ 6,000	\$ -	0%			
40			Mortgage Payments - Adm. Bldg Interest	\$ 17,132	\$ 17,132						
41			Mortgage Payments - Adm. Bldg Principle	\$ 12,992	\$ 12,992						
42			Mortgage Payments - VC Bldg Interest	\$ 14,250					\$ 14,250	\$ 4,601	32%
43			Mortgage Payments - VC Bldg Principle	\$ 11,271					\$ 11,271	\$ 4,041	36%
44			Total Professional Fees	\$ 79,020	\$ 19,380	\$ 20,130	\$ 14,951	74%	\$ 19,380	\$ 15,449	80%
45			Property Tax	\$ 4,700	\$ 2,700				\$ 2,000	\$ -	0%
46			Total Salaries & Employee Benefits	\$ 712,135	\$ 53,977	\$ 329,590	\$ 207,614	63%	\$ 213,181	\$ 160,237	75%
47			Staff Development	\$ 9,000	\$ 3,000	\$ 2,000	\$ 463	23%	\$ 2,000	\$ 829	41%
48			Storage & Handling	\$ 7,100	\$ 1,152	\$ 1,152	\$ 860		\$ 3,644	\$ 2,733	75%
49			Supplies	\$ 18,000	\$ 1,500	\$ 5,500	\$ 4,265	78%	\$ 5,500	\$ 4,444	81%
50			Phone, DSL, T1, Internet, Long distance	\$ 27,500	\$ 6,500	\$ 7,600	\$ 6,092	80%	\$ 6,800	\$ 4,540	67%
51			Utilities - Gas, Elec., Water, Sewer, Trash	\$ 24,000	\$ 6,000	\$ 6,000	\$ 2,755	46%	\$ 6,000	\$ 10,568	176%
52			Volunteer Recognition & Dev.	\$ 26,500		\$ 125	\$ 85	68%	\$ 24,000	\$ 17,613	73%
53			Total Expense	\$ 2,103,037	\$ 122,071	\$ 1,304,877	\$ 931,121	71%	\$ 410,315	\$ 289,619	71%
54			Net Increase (decrease) in unrestricted assets from ops	\$ 74,983	\$ (91,771)	\$ 186,023	\$ 610,781	328%	\$ (50,815)	\$ 68,016	-134%
55			Cash Flow - Expenditures								
56			Capital Acquisitions	\$ 20,000	\$ 5,000				\$ 5,000	\$ 1,275	26%
57			Principal Payments-Admin	\$ 12,992	\$ 12,992						
58			Principal Payments-VC	\$ 11,271					\$ 11,271	\$ 4,041	36%
59			Reserve Contribution/Contingency	\$ 25,000	\$ 15,000						
60			Total Cash Flow - Expenditures	\$ 69,263	\$ 32,992	\$ -			\$ 16,271	\$ 5,316	33%
61			Net Increase (decrease) in unrestricted assets	\$ 5,720	\$ (124,763)	\$ 186,023	\$ 610,781	328%	\$ (67,086)	\$ 68,016	
62			Allocation of public funds to salaries and benefits			\$ 186,413	\$ 118,340	63%	\$ 188,426	\$ 141,009	75%
63			Total Contracted amount of City Funding (55% of the bed tax collections in FY15)			\$ 1,133,100	\$ 822,856	73%	\$ 320,000	\$ 209,440	65%

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**SEDONA CHAMBER OF COMMERCE, INC.
(A NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

Year Ended June 30, 2015

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Schutte & Hilgendorf pllc - CPA's

Solving Accounting, Audit & Tax Puzzles

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sedona Chamber of Commerce

We have audited the accompanying financial statements of Sedona Chamber of Commerce, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sedona Chamber of Commerce, Inc. as of June 30, 2015, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management

and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, reading "Schutte & Hilgendorf". The signature is written in dark ink and is positioned above the printed name of the firm.

Schutte & Hilgendorf, PLLC
Prescott, Arizona
December 18, 2015

SEDONA CHAMBER OF COMMERCE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2015

ASSETS

Cash and cash equivalents (Note 2)	\$ 223,574
Accounts receivable (Note 2)	26,830
Prepaid expenses	44,179
Inventory (Note 2)	18,273
Total current assets	<u>312,856</u>
Property and equipment, net (Notes 2 & 4)	664,230
Other non-current assets, net of accumulated amortization of \$35,523 (Note 2)	<u>50,971</u>
	<u>715,201</u>
TOTAL ASSETS	<u>\$ 1,028,057</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 192,635
Other current liabilities	12,300
Current portion of long-term debt (Note 6)	<u>26,161</u>
Total current liabilities	<u>231,096</u>
Notes payable (Note 6)	<u>496,434</u>
TOTAL LIABILITIES	727,530
NET ASSETS	<u>300,527</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,028,057</u>

SEDONA CHAMBER OF COMMERCE, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and other support (Note 2)	
City of Sedona contract revenue (Notes 3 & 7)	\$ 1,248,500
Membership and tourism revenue	409,514
Advertising revenue	160,882
Grant revenue	150,000
Royalty income	27,668
Contributions	5,010
Indirect support from affiliated organizations	21,000
Other events and programs	24,976
Marathon event, less direct expenses of \$213,695	20,109
Store sales, net of cost of goods sold of \$121,210	52,899
Interest income	1,089
Miscellaneous income	<u>2,037</u>

TOTAL UNRESTRICTED REVENUE 2,123,684

Expenses	
Member services	268,993
Tourism	1,120,735
Visitor services	358,426
Administration	<u>297,475</u>

Total Expenses 2,045,628

INCREASE IN NET ASSETS 78,056

NET ASSETS AT BEGINNING OF PERIOD	384,941
Prior period adjustment (Note 11)	<u>(162,470)</u>

NET ASSETS AT END OF PERIOD \$ 300,527

See independent auditors' report and accompanying notes to financial statements

SEDONA CHAMBER OF COMMERCE, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2015

CASH FLOW FROM OPERATING ACTIVITIES

Increase in net assets	\$ 78,056
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	31,306
Decrease (Increase) in:	
Accounts receivable	(27,131)
Prepaid expenses	(27,832)
Inventory	(12,522)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	148,280
Other current liabilities	37,300

NET CASH PROVIDED BY OPERATING ACTIVITIES 227,457

CASH FLOWS FROM INVESTING ACTIVITIES

Payments on line of credit	(50,000)
Payments on principal of long-term debt	(32,292)
Purchases of property and equipment	<u>(24,192)</u>

NET CASH (USED) BY INVESTING ACTIVITIES (106,484)

NET INCREASE IN CASH 120,973

**CASH AND CASH EQUIVALENTS AT BEGINNING
OF PERIOD**

102,601

CASH AT END OF PERIOD

\$ 223,574

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – NATURE OF THE ORGANIZATION

Sedona Chamber of Commerce (“The Chamber”) is a nonprofit corporation formed in the State of Arizona (State) on August 5, 1960. The Chamber’s mission is to promote & foster the civic, economic, and social welfare of its membership by preserving the free enterprise system of business and promoting business and community growth and development in the City of Sedona and its surrounding communities. The Chamber derives its major sources of revenue from membership dues, fees for services provided to the membership, and funding provided by the City of Sedona.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Chamber’s governing documents provide certain guidelines for administering and accounting for its financial activities. To ensure observance of limitations and restrictions on the use of the financial resources, the Chamber maintains a detailed set of accounting records utilizing the accrual method of accounting, whereby income is recognized when earned and costs and expenses are recognized when obligations are incurred.

Financial Statement Presentation

The Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. As permitted, the Organization does not use fund accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

Accounts receivable have been accounted for on the books of the Chamber. The receivables balance represents dues or charges for program functions attended or sponsored by the membership during the year for which payment was not received by the Chamber as of year-end. The Chamber expects to collect all of the receivables outstanding at June 30, 2015.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories, which consist of Forest Service recreational permits and retail merchandise, are stated at the lower of cost or market, determined by the First-In-First-Out (FIFO) method.

Property and Equipment

The Chamber follows the practice of recording purchases of property and equipment at cost in excess of \$500 as capital assets. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization then reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation on all assets is calculated using the straight-line method or accelerated cost recovery method over the estimated useful lives of the assets.

Maintenance and repairs are charged to the change in net assets when incurred. Betterments and renewals are capitalized. The cost of assets sold or retired and the amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are included in the change in net assets.

Intangibles and Other Non-Current Assets

Computer software includes software developed for the Chamber used in the visitor center kiosks that were purchased in 2008, and the purchase of customer relationship management software for membership services. This cost is being amortized using the straight-line method over 15 years. Amortization expense was \$4,726 for the year ended June 30, 2015. The Chamber's cost of the software was \$48,319.

Loan fees in the amount of \$13,175 represent certain interest and processing charges incurred when the Chamber financed the acquisition and construction of its land and buildings. The loan fees are being amortized over 15 years. Amortization expense was \$418 for the year ended June 30, 2015.

In August 2011, the Chamber purchased the trade name "Sedona Marathon" and all rights to the event for \$25,000. The first event was held by the Chamber in February 2012. Amortization expense was \$1,667 for the year ended June 30, 2015.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

In-Kind Contributions

Donated services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Amounts reflected as in-kind contributions are offset by like amounts included in expenses or property and equipment. There were no in-kind contributions of tangible assets during the year ended June 30, 2015. During the year ended June 30, 2015, The Chamber received over 10,000 hours respectively, of volunteer services that did not meet the criterion for recognition.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Sedona Chamber of Commerce, Inc. qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. Provision has been made in the financial statements for tax on unrelated business income. The Organization is no longer subject to IRS or State of Arizona examinations for income tax returns for years before 2011.

Advertising

The Organization uses advertising to promote its mission and promote the various events and programs to the communities it serves. Advertising costs are expensed as incurred and were \$832,901 for the year ended June 30, 2015.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of the Chamber are entitled to paid vacation, paid sick and personal days off, depending on job classification, length of service, and other factors. Vacation time is accrued from the date of hire at varying rates depending on years of service. Only vacation time earned but untaken at termination will be paid out. The amount of accrued vacation pay at June 30, 2015 is \$20,178 and is included in accounts payable and accrued liabilities on the Statement of Financial Position.

NOTE 3 – CONCENTRATIONS

The Chamber receives approximately 51% of its annual budgeted revenue from the City of Sedona to support the Sedona Chamber of Commerce Tourism Bureau's marketing efforts and visitor services. No public funds are utilized to operate the Chamber membership functions.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2015 consists of the following:

Land and improvements		\$ 50,536
Buildings	15-40 Years	680,205
Building improvements	5-20 Years	120,090
Furniture, fixtures and equipment	5-10 Years	<u>185,536</u>
		1,036,366
Less accumulated depreciation		<u>(372,136)</u>
Total, net of accumulated depreciation		<u>\$ 664,230</u>

Depreciation expense was \$31,306 for the year ended June 30, 2015.

The Chamber's land and buildings are pledged as collateral for the Chamber's mortgage notes payable.

NOTE 5 – LINE OF CREDIT

The Chamber has a \$50,000 line of credit available with a local bank. At June 30, 2015, the Chamber had no outstanding balance on its line of credit. The line of credit bears interest at 3.5% above the "Official ICE LIBOR fixings" monthly rate. The line of credit matures on December 31, 2016 and is secured by all general assets of the Chamber.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – NOTES PAYABLE

Notes to banks consist of the following:

BMO Harris Bank

Note payable in monthly installments of \$2,127, including interest at 5.9% through April 1, 2018, with unpaid balance of \$192,843 plus accrued interest all due and payable on May 1, 2018. Note secured by real property.

\$229,178

BMO Harris Bank

Note payable in monthly installments of \$2,510, including interest at 5.5% through June 1, 2017, with unpaid balance of \$264,433 plus accrued interest all due and payable on July 1, 2017. Note secured by real property.

293,418

\$522,596

Maturities of long term debt for the years ending June 30:

2016	\$ 26,161
2017	27,812
2018	<u>468,622</u>
	<u>\$522,595</u>

Management plans to refinance upon maturity to avoid balloon payments.

NOTE 7 – CONTRACT WITH CITY OF SEDONA

The City of Sedona contracts with the Sedona Chamber of Commerce Tourism Bureau for tourism marketing and management. The contract is two-fold and calls for 1) the Chamber to conduct destination marketing services promoting Sedona as a premier destination to encourage overnight visitation in order to grow and maintain the city's bed tax and sales tax collections, and 2) to maintain and operate a Visitor Center in Uptown Sedona. To this end, the Chamber is required to staff a visitor center, a call center and maintain the appropriate staff needed for destination marketing, sales and public relations efforts.

The City contracts with the Chamber using the City's fiscal year end of June 30. For the year ended June 30, 2015, the City paid the Chamber \$1,248,500 under a one year contract entered into on June 20, 2014 and expiring June 30, 2015. The contract is automatically extended for two additional years unless terminated by either party.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – OPERATING LEASES

The Chamber leases various pieces of office equipment under operating leases expiring at various times over the next five years. In the normal course of business, operating leases are generally renewed or replaced by other leases. Total lease expense for the year is \$12,687 and is included with equipment rental and maintenance on the Statement of Functional Expenses.

Future minimum lease payments under operating leases as of June 30, 2015 are:
Year ending June 30:

2016	\$5,946
2017	5,689
2018	4,571
2019	4,571
2020	<u>3,187</u>
	<u>\$23,964</u>

NOTE 9 – UNRELATED BUSINESS INCOME

The Chamber is taxed on income from activities not directly related to its tax-exempt purpose as unrelated business income. These activities include retail sales, banner and program advertising and internet services. For the year ended June 30, 2015, the Chamber incurred a loss on net unrelated business taxable income, therefore incurring no federal or state tax liability. The Chamber believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

At June 30, 2015, the Chamber had federal net operating loss carry forwards totaling over \$991,000 expiring from 2023 through 2033. The state of Arizona allows net operating losses to be carried forward for 5 years. The Chamber has approximately \$402,000 of net operating losses available to reduce future Arizona taxable income.

NOTE 10 – RETIREMENT PLAN

The chamber maintains a Savings Incentive Match Plan for Employees (SIMPLE), whereby eligible employees may elect to contribute up to \$12,500 (plus an additional \$3,000 for those participants 50 years or older) of their gross wage upon meeting age and length of service requirements. The Chamber makes a contribution of 1% to 3% of electing employees' deferrals based on the discretion of management.

The amount of employer contribution expense for the year ended June 30, 2015 was \$8,646 and is included in employee benefits expense on the Statement of Functional Expenses.

SEDONA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Prior period adjustments were made to correct errors in previously issued financial statements. The nature of each error, the effect of the correction on each financial statement line item for the most current prior period and the cumulative effect of the change on net assets is presented below:

As of June 30, 2014 on the Statement of Financial Position:

<u>Description of Error</u>	<u>Incr(Decr) to Prior Period Net Assets</u>
Overstated accounts receivable	\$(84,343)
Overstated prepaid expenses	\$(77,698)
Overstated fixed assets	\$ (2,360)
Understated other current liability	<u>\$ 1,931</u>
	<u>\$162,470</u>

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2015, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SEDONA CHAMBER OF COMMERCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015

	PROGRAM SERVICES			SUPPORT SERVICES	TOTAL
	Member Services	Tourism	Visitor Services	Administration	
Advertising/marketing	\$ 57,630	\$ 756,898	\$ 16,208	\$ 2,165	\$ 832,901
Administrative/board expenses	-	-	-	3,652	3,652
Bank and credit card charges	3,460	4,152	3,227	1,596	12,436
Computer/technology	9,521	9,943	13,389	9,502	42,354
Depreciation and amortization	-	-	-	31,306	31,306
Dues and subscriptions	1,317	4,903	484	2,098	8,803
Education and community outreach	4,281	11,324	1,181	1,057	17,842
Employee benefits	7,998	22,707	9,294	16,643	56,641
Equipment rental and maintenance	2,740	2,740	4,495	2,740	12,715
Furniture and fixtures	520	394	644	-	1,557
Insurance	446	446	446	6,341	7,678
Interest (Note 8)	-	-	6,344	24,971	31,315
Membership services	9,473	7,704	-	-	17,176
Miscellaneous	-	-	-	1,239	1,239
Occupancy	4,224	4,223	29,433	8,684	46,565
Payroll taxes	11,036	18,378	5,785	6,525	41,723
Postage and shipping	1,698	76,891	2,461	1,747	82,797
Professional fees	15,807	16,389	17,104	27,114	76,413
Salaries and wages	98,459	171,109	208,849	46,025	524,442
Special events	33,003	-	-	-	33,003
Supplies	2,081	4,322	10,063	5,122	21,589
Taxes	-	-	2,230	1,451	3,681
Telecommunications	5,114	8,201	6,278	6,603	26,196
Tourism expenses	-	-	-	90,570	90,570
Volunteer recognition and development	186	13	20,512	323	21,033
	<u>\$ 268,993</u>	<u>\$ 1,120,735</u>	<u>\$ 358,426</u>	<u>\$ 297,475</u>	<u>\$ 2,045,628</u>

DESTINATION MARKETING & VISITOR SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") entered into by and between the Sedona Chamber of Commerce & Tourism Bureau, hereinafter referred to as "SCoC&TB" and the City of Sedona, a municipal corporation, hereinafter referred to as "City", this 10th day of June, 2014.

WITNESSETH

WHEREAS, the SCoC&TB will initiate, implement, and administer a comprehensive sales and marketing program designed to attract visitors and meeting delegates to the City, thereby gaining revenues to the community and contributing to the overall economic growth of the Sedona business community and the City in general; and

WHEREAS, the SCoC&TB recognizes the need to create a destination marketing program that emphasizes the attraction of visitors during the off-season and mid-week, in recognition of the existing limitations on City infrastructure during peak seasons, in an effort to mitigate the impacts of traffic congestion and crowds on the visitor experience and the quality of life for our residents; and

WHEREAS, the SCoC&TB believes that tourism product development initiatives could help enhance and expand the destination's appeal to visitors and to enhance the quality of life for residents and the SCoC&TB will have the responsibility to develop a clear understanding of how existing and potential new tourism products are aligned with current and future visitor targets and brand alignment; and

WHEREAS, the City originally adopted a 3% transient bed tax to be collected by motel and hotel operators, with the intention that portions of the proceeds therefrom be used to develop a tourist and meetings promotional program in Sedona; and

WHEREAS, in September, 2013 the City adopted an increase in the transient bed tax from 3% to 3.5%, which became effective January, 2014; and

WHEREAS, pursuant to Sedona City Ordinance No. 2013-07, the City has elected to devote 55% of transient bed tax collections to the promotion of tourism and to allocate the use of said funds by way of contract to a destination marketing organization (DMO); and

WHEREAS, the City and SCoC&TB desire to establish a general framework for future cooperative efforts, especially the general procedures by which the SCoC&TB will prepare and carry out tourism activities;

NOW, THEREFORE, in consideration of the foregoing, the City and the SCoC&TB do mutually agree as follows:

1. ADMINISTRATION

- 1.1. In carrying out the terms of this agreement, the SCoC&TB agrees to continue to follow all of its bylaws which are also incorporated, by reference, into this agreement.
- 1.2. The SCoC&TB shall continue to operate as a 501(c)(6) non-profit corporation and be governed by a Board of Directors that has the ultimate authority for oversight and approval of the SCoC&TB's programs.
- 1.3. The SCoC&TB shall utilize an accounting system which will comply with generally

accepted accounting principles. The SCoC&TB shall establish and maintain a line item budget that identifies expenditures from all funding sources.

- 1.4. The City hereby designates the Assistant City Manager or his/her designee as the City's representative and Contract Administrator. The Contract Administrator shall work with the SCoC&TB in coordinating the execution of this Agreement. Any reports and correspondence from the SCoC&TB shall be channeled through the Contract Administrator.

2. SCOPE OF TOURISM PROMOTIONAL ACTIVITIES

Required Activities. SCoC&TB shall perform the following Activities:

- 2.1. Destination Marketing Plan. Each year, SCoC&TB shall prepare a "Destination Marketing Plan" (the "Marketing Plan") for submission to the City as follows:

- 2.1.1. Initial Marketing Plan. The City hereby approves the proposed Marketing Plan attached hereto as **Exhibit "A"** as the Marketing Plan for year 2014/2015.

- 2.1.2. Marketing Plan Approval. No later than June 1 of each year during the term of this Agreement, (including the last year) SCoC&TB shall deliver to the City a proposed Marketing Plan for the subsequent year. If the Sedona City Council approves the proposed new Marketing Plan prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new Marketing Plan shall be the Marketing Plan under this Agreement during the subsequent year. If the City does not approve the new Marketing Plan, then the current Marketing Plan will remain in effect.

- 2.1.3. Marketing Plan Review. City staff and SCoC&TB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Marketing Plan.

- 2.1.4. Marketing Plan Changes. The parties understand and agree that Non-Substantive changes to the Marketing Plan may be necessary in order to react to new opportunities, resource availability, industry trends, price increases, etc. Any such changes will be reported in quarterly reports to the City. For example, these factors may necessitate changes to individual media and sales activities listed in the schedule attached to the Marketing Plan that do not otherwise change the Marketing Plan such as advertising in a different magazine or changing sales calls to a different city.

- 2.2. Performance Standards. Each year SCoC&TB shall prepare a list of specific performance criteria (the "Performance Standards") for Marketing Activities as follows:

- 2.2.1. Initial Performance Standards. City approves the proposed performance standards attached hereto as **Exhibit "B"** as the Performance Standards for year 2014/2015.

- 2.2.2. Performance Standards Approval. No later than June 1 of each year during the term of this Agreement (including the last year), SCoC&TB shall deliver to City proposed performance standards for the subsequent year. If Sedona's city council approves the proposed new performance standards prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new performance standards shall be the Performance Standards under this Agreement during the subsequent year. Otherwise the current Performance Standards will remain in effect.
- 2.2.3. Performance Standards Review. City and SCoC&TB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Performance Standards.
- 2.2.4. Performance Standards Changes. Changes to the Performance Standards shall be mutually agreed upon by SCoC&TB and City's contract administrator.
- 2.3. Event Marketing. SCoC&TB shall promote Sedona as a travel destination using major tourist-oriented festivals, competitions and other events that advance the Marketing Objectives (the "Events") as part of an overall marketing program.
- 2.4. Program of Marketing Activities. SCoC&TB shall use the Marketing Funds to carry out the following program of Marketing Activities as set out in the Marketing Plan:
- 2.5. Communications. SCoC&TB shall carry out marketing communications by implementing marketing strategies that position Sedona as a destination and that generate leisure and business travel from individual, meeting, and leisure group markets. Those strategies are: advertising; event and consumer promotions; database relationship marketing; public relations; web site maintenance, enhancements, and development; and on-line marketing program and promotions.
- 2.6. Tourism Industry Sales. SCoC&TB shall carry out sales and marketing activities to tour operators, travel agents, incentive buyers, and receptive operators serving high-end leisure groups, and individual travelers in target markets identified by SCoC&TB in order to promote visitation to Sedona.
- 2.7. Meetings and Group Sales. SCoC&TB shall carry out programs that reinforce relationships with existing clients, and that seek out sources of new business from small to medium size corporate groups, incentive travel programs, and key industry association meetings.
- 2.8. Conduct of Marketing Activities. SCoC&TB shall conduct the Marketing Activities in conformance with the Marketing Plan and the Performance Standards.
- 2.9. Product Development: The SCoC&TB will manage the Tourism Product Development Committee (TPDC) who will have the responsibility to develop a clear understanding of how existing tourism products are aligned with current and future visitor targets. The SCoC&TB is responsible for coordinating the TPDC to prioritize new product development

initiatives, to consider enhancing existing products, to identify areas of product strengths and weaknesses and identify new areas of development focus that would address future opportunities. The SCoC&TB and TPDC will develop alternatives for resources/tools to act on new priorities including identifying a range of options for product development resources and recommend approaches to pursue those holding greatest potential.

A line item for product development is included in the FY2015 contract budget. SCoC&TB will come back to Council with recommendations and a proposed plan for how to spend product development funds for the 2015 fiscal year by Nov 15, 2014. This plan establishes the initial product development program. In the two subsequent years of this contract (FY16 and FY17) a product development budget and recommended strategies and tactics for meeting product development goals will be provided by June 1 at the same time as the Marketing Plan and performance standards documents.

2.10. Visitor Services: The Chamber shall maintain and staff a Visitor Center at 331 Forest Road in Sedona, or other mutually agreed upon location within the City. The Visitor Center will be open to the public seven days a week to answer all inquiries for general information relating to Sedona. The Visitor Center will be open no less than 57 hours per week, except on weeks that include Christmas, Thanksgiving, or the New Year's holiday. City funded Visitor Center service costs include, but are not limited to:

- a) Utilities
- b) Telephone
- c) Facility Repairs and Maintenance
- d) Insurance
- e) Wages and Benefits for paid visitor center staff
- f) Supplies and Copier
- g) Rent
- h) Costs for managing sales (maps, Red Rock Passes, etc.)
- i) Postage, mailing costs, freight
- j) Fulfillment piece(s), such as
 - i. Sedona Brochure
 - ii. Sedona Community Profile
 - iii. List of Schools and Churches
 - iv. List of Clubs and Organizations
 - v. Things to See and Do
 - vi. Hiking Maps and Guides
 - vii. Area Maps

The City will provide, as a separate expense to the City, an appropriate level of janitorial service for the public restrooms at the Visitor Center.

3. TOURISM BUREAU FEES

3.1. In order to maintain fairness between the businesses inside and outside the city limits, the SCoC&TB will establish a membership fee structure that assesses every Tourism Bureau member outside of the city limits at a higher rate than in-city members.

3.2. In order to maintain fairness between the Lodging industry inside and outside the city limits, the SCoC&TB will require that members outside the city limits pay increased fees for leads generated by the SCoC&TB.

3.3. Since the SCoC&TB has not yet finalized the new fee structure, the SCoC&TB will come back to Council with the new fee structure and implementation timeline for the new fees by Nov 15, 2014.

4. ANNUAL BUDGET

4.1. The SCoC&TB shall submit to the City Council an annual line item budget approved by the SCoC&TB's Board of Directors, by June 1 of each year. Said budget will include a description of proposed programs and staffing requirements along with their respective budgeted amounts. The budget will delineate between those City funds proposed to be spend on destination marketing, product development, and visitor services.

5. ANNUAL AUDIT AND FINANCIAL REVIEW

5.1. For the first year of the contract, Fiscal Year 2014-2015, the SCoC&TB shall have an independent CPA complete a full audit of its financial statements. The SCoC&TB shall pay for all services rendered by the CPA. All reports and documentation (financial statements, compliance and management letters, internal control documentation and opinion letters) from the CPA shall be submitted to the Assistant City Manager hundred-eighty (180) days after the end of the fiscal year (by 12/31/2015).

5.2. For the remaining two years of the contract, Fiscal Years 2015-2016 and 2016-2017, should they be renewed, the SCoC&TB shall have an independent CPA conduct an annual review of its financial statements. The SCoC&TB shall pay for all services rendered by the CPA. All reports and documentation (financial statements, notes to financial statements, independent accountant's review report) from the CPA shall be submitted to the Assistant City Manager hundred-twenty (120) days after the end of the 2015-2016 and 2016-2017 fiscal years (by 10/31 of each year).

5.3. The City also reserves the right to require a full audit, in addition or in lieu of the annual financial review, for the remaining two years. Should the City require the SCoC&TB to conduct a full audit for either or both of those subsequent fiscal years, the City's Contract Administrator shall notify the SCoC&TB of that requirement a minimum of 60 days prior to the end of the fiscal year for which an audit is being required.

5.4. With reasonable notice the City shall have the right to audit the books of the Chamber for the purpose of confirming the expenditures of City funds.

6. REPORTS

6.1. The SCoC&TB agrees to report on the performance of its programs by submitting a report to the City within ninety (90) days of end of each of the first three quarters of the fiscal year, i.e. September 30; December 31; and March 31. A final annual report will be produced and submitted to the City within one-hundred-twenty (120) days after the close of the fiscal year (June 30) and shall include an analysis of the effectiveness of the various

programs. The final report due date is extended thirty days to accommodate the inclusion of the year end audited financial figures.

- 6.2. At the request of the City Manager and/or Contract Administrator the SCoC&TB will provide periodic oral reports to the City Council.

7. FUNDING

- 7.1. City Funding. City's payment of the Tourism Promotion Funds shall be subject to the following:

7.1.1 Contract Budget. All Tourism Promotion Funds and other City support and all Marketing Activities and other SCoC&TB expenditures and activities shall comply with a budget (the "Contract Budget") as follows:

7.1.2 The total amount of Tourism Promotion Funds that City shall provide under this Agreement (the "Contract Amount") for each year shall be equal to fifty-five percent (55%) of the Bed Tax Funds estimated to be collected during the year, to be paid in bi-annual installments paid by August 15 and February 15 of each fiscal year.

7.1.3 No later than thirty (30) days before City's payment of an installment of Tourism Promotion Funds is due, SCoC&TB shall deliver to City an invoice for the amount.

7.1.4 City approves as the Contract Budget for year 2014/2015 the portions of the proposed budget attached hereto as **Exhibit "C"** that are shown in such exhibit as totaling the Contract Amount.

7.1.5 No later than June 1 of each year during the term of this Agreement, SCoC&TB shall deliver to City of Sedona a proposed Contract Budget of all funds to be received or expended by SCoC&TB during the following year as follows:

- a) SCoC&TB's proposed contract budget shall list all funds that SCoC&TB proposes to receive or expend under this Agreement. The total amount of Bed Tax Funds that SCoC&TB proposes to receive during the following year (the "Proposed Amount") shall be clearly listed by itself on a single separate line of the proposed contract budget. SCoC&TB's proposed contract budget shall also list all funds that SCoC&TB otherwise proposes to receive or expend during the year. The proposed SCoC&TB contract budget shall clearly indicate which funds SCoC&TB anticipates receiving from City under this Agreement and which funds SCoC&TB anticipates receiving from other sources.

- 7.2. City and SCoC&TB shall meet semi-annually to discuss actual Bed Tax Funds. No later than April 10 each year, City shall provide to SCoC&TB an estimate of the total amount of Bed Tax Funds that City anticipates City will collect during the following fiscal year. SCoC&TB shall have an opportunity to provide input about City's estimate before City provides the estimate to SCoC&TB under this Agreement. SCoC&TB's proposed contract budget shall be based on City's estimate.

- 7.3. Actual Bed Tax Funds Collected. City's payments under this Agreement shall be

adjusted based on actual Bed Tax Funds Collected as follows:

- 7.4. By December 15 the Contract Administrator will notify the SCoC&TB of the results of the reconciliation of actual bed tax receipts for the previous fiscal year. The current fiscal year contract amount will be increased or decreased to adjust for actual collections for the previous fiscal year. Such changes in annual contract amount shall result in corresponding changes to the Contract Budget. SCoC&TB shall propose the Contract Budget changes, which shall require approval by City contract administrator. The adjustment for prior year actual collections will be made by increasing or decreasing the second bi-annual (February) installment of the current fiscal year contract.

8. HOLD HARMLESS AND INSURANCE PROVISIONS

- 8.1. The SCoC&TB agrees to defend and save harmless the City, its Mayor and Council, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively from all losses, claims, suits, demands, expenses, subrogation's, attorney's fees or actions of any kind and nature resulting from personal injury to any person (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of either (1) the SCoC&TB's performance of the terms of this contract, or (2) any of the SCoC&TB's acts or omissions in its capacity as a DMO.

9. TERM

- 9.1. The term of this Agreement is from July 1, 2014 to June 30, 2015 and shall be automatically extended for two additional years unless either party gives written notice to the other, on or before May 1 of its intent not to renew for the following year. In addition, either party may terminate this Agreement, without penalty, upon 60 days written notice to the other party. In the event of such early termination, the reimbursement provisions of Paragraph 9.2 shall apply.
- 9.2. If a party defaults in the performance of any of the covenants, agreements, terms or conditions of this Agreement and such default is not cured within 30 days after notice of such default is given by the non-defaulting party, or such longer period as may be necessary provided the defaulting party has commenced curing within such 30 days and diligently pursues such curing to completion, the non-defaulting party shall have the right, at its option, to immediately terminate this Agreement, whereupon it shall have no further obligation or liability under this Agreement, or to seek full and adequate relief by injunction or other legal and equitable remedies (or all of the above). In the event of early termination of the city's contract with the chamber, the city will reimburse the SCoC&TB for all SCoC&TB prepayments of future year contracted items and the SCoC&TB will turn those items over to the city's representative. Should the SCoC&TB have unspent proceeds from the City's pre-payment of contract installments, the SCoC&TB will reimburse the City for the pro-rated amount of the prepayment less the expenses addressed in the preceding sentence or other outstanding encumbrances. For example, should the contract be terminated on December 1, the SCoC&TB has already been pre-paid for the period beginning July 1 and ending December 31. The SCoC&TB would reimburse the City for 1/6 of the first installment to repay the City for services not provided in December, less any prepayments or outstanding encumbrances.

10. LEGAL COMPLIANCE

- 10.1. The STB agrees to comply with all Federal, State, and City laws or regulations applicable to the STB's business or services or to the performance of these services.

11. INDEPENDENT CONTRACTOR

- 11.1. The parties agree that the SCoC&TB provides specialized services and enters this contract with the City of Sedona as an independent contractor. Nothing in this contract shall be construed to constitute the SCoC&TB's, nor any of its personnel, volunteers, or directors, as agents, employees, or representative of the City. As an independent contractor, the SCoC&TB is solely responsible for all labor and expenses in connection with this agreement and for any and all damages that may arise during the operation of this agreement.
- 11.2. The SCoC&TB shall carry appropriate insurance and shall indemnify and hold the City and its officials, employees, and agents harmless from any and all claims, demands actions, and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorney's fees) or liability for damages for personal injury or property damage resulting from the acts of omissions of the SCoC&TB's officers, directors, agents, employees, or volunteers, in connection with the agreement or in any way arising from the activities or services of the SCoC&TB as set forth in this agreement. The SCoC&TB shall provide a copy of the insurance certificate, which lists the City of Sedona as an additional insured, to the City Manager's Office prior to the first installment release.
- 11.3. It is understood and agreed that the SCoC&TB is free to contract with other parties or to otherwise provide additional services.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first given above.

Sedona Chamber of Commerce & Tourism Bureau,
Inc., an Arizona non-profit corporation

By: 
Joel Gilgoff

Its: Chairman of the Board

By: 
Jennifer Wesselhoff

Its: President & CEO

CITY OF SEDONA,

An Arizona municipal corporation


By: 
Robert M. Adams, Mayor

ATTEST:


Susan L. Irvine, City Clerk

APPROVED AS TO FORM BY

CITY ATTORNEY'S OFFICE:


Mike Goimarac, City Attorney

CITY CONTRACT ADMINISTRATOR:


Karen Daines, Assistant City Manager

CITY MANAGER


Tim Ernster, City Manager

TABLE OF EXHIBITS

Exhibit	Description
A	Final 2014/2015 Marketing Plan
B	Final 2014/2015 Performance Standards
C	Final 2014/2015 Contract Budget

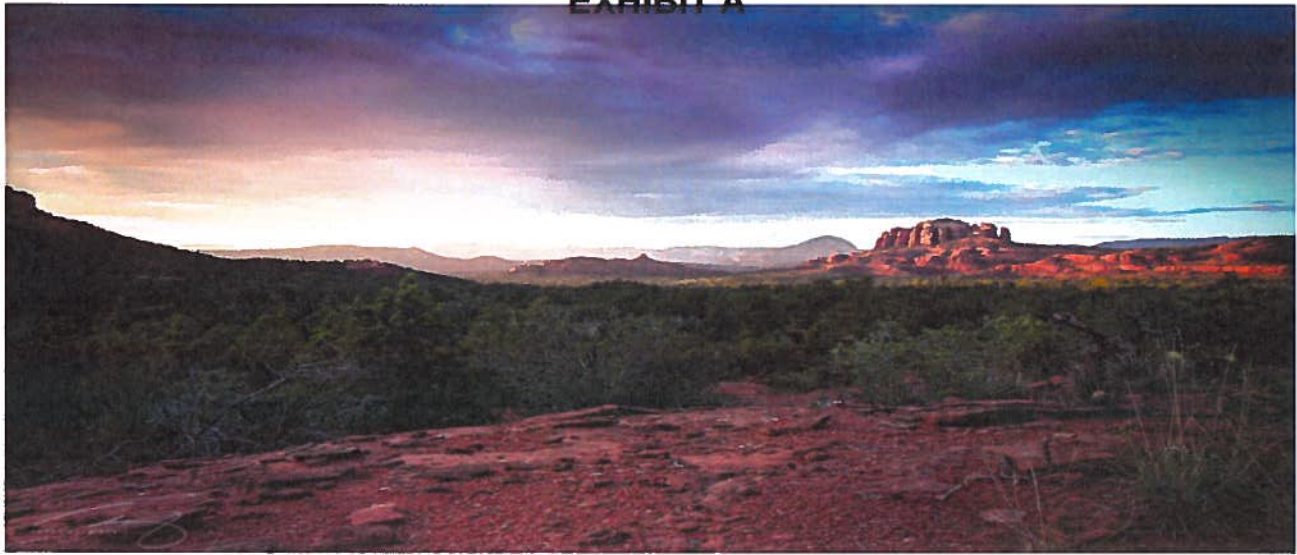
EXHIBIT A



2014-15 Destination Marketing Plan

Sedona Chamber of Commerce & Tourism Bureau

Sedona Chamber of Commerce & Tourism Bureau • PO Box 478
Sedona, AZ 86339 • Phone: (928) 204-1123



Sedona Chamber of Commerce & Tourism Bureau

President and CEO

Jennifer Wesselhoff

Sales and Marketing

Sachiko Sado

Sheryl Curtis

Susan Boehnstedt

Public Relations

Kegn Hall

Membership

Janeen Trevillyan

Finance

Debbie Ellington

Office Manager

Ellen Edwardson

Visitor Center

Donna Retegan

Brenda Adrusyszyn

EXHIBIT A

Vision

Sedona, with its legendary red rock beauty, is a world class, year-round destination providing inspiring arts and culture, exhilarating outdoor adventure and personal enrichment in a friendly environment.

Mission

To stimulate economic growth by marketing Sedona as a premier destination and to provide an exceptional visitor experience.

Core Values

- Professionalism
- Accountability
- Community-minded
- Partnership-oriented
- Innovation
- Dedication
- Effectiveness
- Exceptional customer service

Member Promise

We promise to provide our members opportunities to build and grow their business.

Visitor Promise

We commit to providing memorable visitor experiences.

Brand Promise

We promise to provide inspiring and memorable experiences in one of the most beautiful places on earth.

EXHIBIT A

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EXHIBIT A

Part 1: Background

The Sedona Chamber of Commerce & Tourism Bureau (SCoC&TB) is made up of four major divisions: the Chamber of Commerce; the Tourism Bureau; the Film Office; and the Events Division.

The Chamber of Commerce is privately funded and no public funds are utilized to operate this function. Our Chamber mission is to serve our members by enhancing the economic vitality of the business environment and community. This division is devoted to helping Sedona businesses be successful. Our programs and activities include business referrals, networking activities, marketing opportunities, business development, educational programs and regular communication to keep members abreast of Chamber and member activities, business and community news, opportunities, and upcoming events.

The Tourism Bureau is a public/private partnership with area businesses, the City of Sedona and the lodging industry. The mission of the Tourism Bureau is to stimulate economic growth by marketing Sedona as a premier destination and to provide an exceptional visitor experience.

The mission of the Film Office is to stimulate economic growth by marketing Sedona's unique resources for the production of film, television, commercials and still photography. Our Events division is responsible for assisting in the marketing of destination driver events and to produce the annual Sedona Marathon Event and Holiday Central Sedona.

Tourism is the core industry and economic generator in Sedona and it has dynamic direct and indirect effects on each and every business and every resident in Sedona. The Tourism Bureau is the destination marketing arm for the City of Sedona and is responsible for marketing Sedona through advertising, public relations and sales.

The Sedona Chamber of Commerce formed the Tourism Bureau in 2002. The purpose of creating the Tourism Bureau was to, operationally and financially, separate the functions of the Chamber from the promotion of Sedona as a tourism destination (Tourism Bureau). This separation has allowed us to develop programs and budgets for each division, and track the expenditures and results in order to produce annual reports and effectively serve our members and the entire community.

The SCoC&TB is the official tourism marketing agency for Sedona, and is contracted by the City of Sedona to fulfill tourism promotional programs. The SCoC&TB is the information center for visitors and prospective visitors. It is also the communication center for Sedona to the travel industry and for the travel media and travel consumers.

The SCoC&TB acts as a catalyst in the development of tourism promotional programs designed to increase positive awareness of Sedona, increase the number of visitors who overnight, increase their average length of stay and increase their retail spending, thereby increasing tourism revenues. The SCoC&TB works closely with local leaders to ensure the compatibility of tourism to the community; and assists the local government in carrying out the city's economic development goals and facilitates the Tourism Product Development Committee. The SCoC&TB provides hands-on technical assistance to local businesses, and educates the community on the economic and social implications of tourism in Sedona.

EXHIBIT A

Marketing Plan Development Process

The SCoC&TB currently goes through a very extensive development process as it relates to our annual marketing and strategic planning process.

1. We review immediate and past programs and results – what worked, what didn't, what was the cost effectiveness as it relates to measurement goals and outcomes.
2. We look at marketing trends overall and marketing trends specifically in the travel and tourism industry. We meet and speak with our peers from other DMOs and marketing vendors to see what is working for them and what isn't.
3. We meet with our affinity groups who represent Sedona's leading tourism sectors to see how they're promoting themselves, what they view as opportunities and what they see as areas for improvement. We brainstorm ways to work together and promote Sedona in a way that's relevant.
4. We analyze travel industry research, which includes, but is not limited to: Smith Travel Reports (STR), quarterly Visitor Survey Executive Summaries, AOT research, statewide research and trend reports, PRIZM studies and most recently, the Long Range Tourism Development Plan from Nichols Tourism Group.
5. We meet with representatives from the Arizona Office of Tourism and other Arizona DMO's to investigate partnership opportunities and opportunities to leverage investments.
6. The plan development then begins with defining the purpose of the plan, then moves on to the situational analysis, which looks at the key issues as it relates to Sedona Tourism, a definition of our tourism product and a SWOT analysis, which requires us to identify our Strengths, Weaknesses, Opportunities and Threats. The Situational Analysis also looks at factors to consider for future success, current key performance indicators, a look at our competition and then wrapping with the tourism trends from an in-state, regional, national and international standpoint.
7. The plan continues with a Primary Market Analysis, which looks at the Sedona Consumer Profile in which we define our target audience from a demographic and psychographic standpoint.
8. We then develop the Plan of Action and budget which defines our goals, the marketing strategies we wish to use to reach those goals and the specific tactics of execution.

Purpose of the Plan

This plan outlines key economic industry indicators and presents one year of strategies and action plans for each area of program concentration within the SCoC&TB. The following program of work for the Bureau addresses work to be accomplished in the 2015 Fiscal Year which is from July 2014 - June 2015.

This plan represents the agreed upon program of work for the organization and identifies the services to be rendered.

EXHIBIT A

National Outlook for Travel and Tourism

The U.S. Travel Industry Association (USTA) has reason to be hopeful about 2014–2015. The USTA projects moderate increases in leisure travel in the next year. Leisure travel is expected to rise modestly at a rate of 1.2% in 2014, a slightly slower pace than during the past few years.

Meanwhile, spending on travel by U.S. residents has bounced back to pre-recession levels. Purchasing decisions regarding travel are changing as well, which indicates that after a couple years of last-minute trip planning, travelers are once again beginning to plan and book vacations well in advance of their travel dates. The booking window is lengthening toward three-to-six months out, giving destination marketers more time to reach their customers with travel messaging and product offerings.

As the economy and family budgets have improved, U.S. adults have returned to taking fewer and longer leisure trips, resulting in a decline in the average number of leisure trips taken each year. However, research indicates that travel expectations and interest in travel for the coming year are at their highest levels since February 2008. USTA also reports personal finances available for travel are at their highest point since March 2007, suggesting that price, deals and discounts are considered among the least important determinates on current travel plans.

The SCoC&TB's leisure sales activities will continue to be focused on various niche travel markets that hold the greatest potential for ROI in leisure travel business to Sedona. Baby Boomers (ages 50-68) continue to be identified as important, dynamic and valuable travel consumers. This market segment has high potential as a travel customer base and is set to control 70% of the disposable income in the U.S. in coming years. 67% of Boomers plan to spend more time on their hobbies and leisure interests as they age out of the work force in the near future, moving from a life dedicated to making money to one directed at spending money on things like travel. Boomers have notably been, and will continue to be, one of the travel industry's most important target segments.

Most demographers agree, however, that a major shift in generational travel is underway. It defines consumer thinking and behavior that will last well into the next decade and perhaps beyond. Peter Yesawich, head of the MMGY Travel Group, first called this change *The New Normal*. Although the Baby Boom generation still dominates travel on a total dollar basis, according to travel researcher D.K. Shifflet & Associates, vacation spending by Generation X (ages 34-49) has soared 66% per trip in the last five years. Which is one reason Sedona's primary focus is on the up and coming next generation of travelers, ages 34-55, with household income of more than \$100,000.

Summer Travelers Looking for Bigger, Longer Vacations This Year:

Consumers may be spending less at the malls, but it may be to save up for summer vacation, according to preliminary information on early trip planners.

"It looks like it's going to be a strong summer," according to Sarah Gavin, a travel expert with online booking company Expedia. "People are starting to take bigger trips." Gavin's optimism was based on searches at Expedia.com for summer travel. "Air ticket prices in general are up 3 percent over last summer," Gavin said. That calculation is based on all the searches for summer airfares made by people in the U.S. during the first three months of 2014. Gavin said the searches at Expedia also indicate people are planning slightly longer summer vacations than last year. (CNBC.com, April 17)

EXHIBIT A

Top Travel Trends for 2014, according to Travel Professionals:

Benchmark Hospitality International announced the "Top 10 Travel Trends for 2014" as observed through a survey of the company's extensive database of professional travel agents. In a Benchmark-commissioned study, over 20,000 travel professionals were provided a comprehensive survey on consumer and business travel in 2014, for review and submission to an independent market research firm for compilation and analysis.

- Trend #1: The travel industry is poised for growth.
- Trend #2: Leisure travel leads the way.
- Trend #3: Direct bookings definitely on the rise.
- Trend #4: After six years of the greatest recession in living memory, travelers are ready to pack their bags, drop in a beach towel, and see the world.
- Trend #5: Who is spending? It's the Boomers by far.
- Trend #6: Online travel reviews have a huge effect, according to travel agents.
- Trend #7: Most important features at hotels and resorts. Location is No. 1 for apparent reasons. But No. 2 isn't free parking, or the availability of spa services, or numerous other possible traveler concerns. It's free Internet.
- Trend #8: Hotel websites sell.
- Trend #9: Well over half of the travel agents responding felt a paradigm shift occurred when the world went mobile.
- Trend #10: Advice to the hotel industry from travel agents: Keep your rooms and water glasses clean.

(HotelNewsResource.com, April 17, 2014)

EXHIBIT A

Situation Analysis

Tourism Product

Sedona's overarching "reason to visit" is its spectacular scenery, which draws travelers from around the world. There are other offerings as well, that fall under the following four niches:

1. Outdoor Adventure

- Hiking: a system of more than 200 miles of easily accessible, interconnecting trails
- Cycling: emerging opportunity; 170 miles of single track available and Sedona and surrounding areas are very bicycle friendly for road bikes
- Air Tours: hot air balloons; bi-planes, helicopters
- Land Activities: Jeep, ATV, Segway, Hummer, OHVs
- Water: Verde River tours, fishing, swimming
- Golf: public courses
- Birding: opportunity to deepen engagement – Hummingbird Festival
- Family fun activities/attractions
- State Parks
- Stargazing
- Scenic drives: Oak Creek Canyon, Red Rock Scenic Byway
- Fitness or Sports-related Events: Sedona Marathon Event, Bike MS, Century Ride

2. Arts & Culture

- Galleries: more than 80 galleries and shops
- Artistic Community: resident and visiting artists
- Events: large variety of weekly, monthly and ongoing annual events
- Culinary: variety of dining options and unique regional fare
- Area Wineries: wine tastings and tours
- Native American culture and heritage
- Live entertainment
- Performing arts
- Film and Western history
- Nightlife/activities
- Art in Public Places
- Nearby heritage sites and national monuments

3. Personal Enrichment & Wellness

- Metaphysical & Spiritual: world-renowned offerings including products, services and treatments
- Wellness: alternative healings
- Spas: high-end resorts and day spas
- Vortex: one of a few locations worldwide that hosts more than four vortex sites
- Yoga
- Meditation
- Eco-friendly
- Personal Enrichment events: World Wisdom Days, Yoga Fest, etc.
- The overall feeling that Sedona is a mystical, magical destination with intense energy

4. Weddings, Special Occasions, Honeymoons

- Beautiful location/scenery for optimal photography/videography
- Venues: variety of sized venues available, including outdoors
- Services: all wedding services available
- Amenities: all wedding amenities to support the "big day" and other special occasions

EXHIBIT A **SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)**

Strengths

- Outdoor adventure, arts & culture and spiritual aspects of Sedona
- Diversity (geographic, businesses)
- Great weather, four mild seasons
- Red rocks, scenery, photo opportunities
- Sedona name recognition
- Recognition as an art destination
- Location (geographic proximity)
- Friendly
- Knowledgeable staff and volunteers at the Visitor Center
- Above average lodging performance (occupancy and ADRs) and growth
- Increased market share of Northern Arizona overnight visitation
- Strong attraction of older, high income visitors
- High level of repeat visitation to destination – 70%
- Strong CoC generation of private sector revenues for tourism related purposes
- Very strong visitor center connection – almost 350,000 visitors annually
- Significant additional commitment from City to build/expand visitor industry
- Recognition as health, wellness, alternative medicine destination
- Variety of tourism products
- Love towards the destination by residents and visitors (AKA: Red Rock Fever)
- Small town feel

Weaknesses

- Uptown congestion and parking
- Lack of affordable housing
- Airport access and proximity
- Public transportation (including access to USFS trailheads)
- Relationship with USFS – recreational use versus land stewardship
- General image as “passive” versus “active” outdoor destination
- Limited offerings/experiences to younger visitor segments (GenXers, Millennials)
- Limited regional integration of products and experiences
- Viewed as “Too Touristy” by some visitors
- City bed tax rate at upper end of competitive destinations
- Limited locations and parking for motorcoach and commercial tour groups that are allowed to visit
- Distinct high/low seasons for year-around tour series to book Sedona
- Lack of knowledge in tourism distribution system by local businesses

EXHIBIT A

- Viewed by travel industry professionals as “too expensive” “no room availability” or “hotels are not willing to work with tour operators,” “too many regulations to bring visitors”
- Limited air services in and out of Flagstaff
- Number of management/ownership changes and business closures
- No convention center
- Timeshares pay no bed taxes – they pay “in lieu of fees” to the City of Sedona instead

Opportunities

- Expand range of events, focusing on those that can be enhanced or have extended duration
- Development of a festival/event venue
- Capitalize on Phoenix convention market – pre/post event connection and meeting planners in Phoenix
- Exchange rates / world economy
- Population growth in Southwest / AZ
- Sustainable tourism and connection to Sedona
- Internet marketing
- National/International trends in travel
- Expanded range of public transportation
- Broadened attraction of younger visitor segments
- Expanded “engagement” of visitor in experiences (outdoors, arts, etc)
- Deepen attraction of niche segments (weddings, culinary, meetings, medical)
- Integrate an educational element in visitor product areas
- Product development utilizing what Sedona already has
- Product development into new areas of tourism – medical tourism, volun-tourism, etc.
- Product development - “made in Sedona,” “only in Sedona,” merchandise & services
- Product development – local residents’ involvement in tourism products that can be shared with locals
- Create or establish Visitor/motorcoach-friendly parking areas
- Expanding visitor origin markets into emerging markets
- Regional partnerships

EXHIBIT A

Threats

- Reductions in state/AOT funding
- National economy – slow recovery
- Water resources
- Competition from other destinations – significant expansion in their destination marketing budgets
- AOT's limited budget to have international representation in mature markets
- Gasoline prices
- Immigration reform – Negative perceptions directed to Arizona and its destinations – resulting impact whether deserved or not
- Traffic, ADOT road changes (i.e. -- closing of 89A for repairs)
- National/International disasters / terrorism
- Natural disasters
- Internet: Managing user generated content
- USFS: Permitting process & lack of commercial permits
- Balancing sustainability and tourism
- Perceptions to the U.S. and Arizona as a destination by foreign markets
- Air Services (cancellations/changes) to gateway cities from various origin markets

Critical Factors for Success

1. Branding: Implement a cohesive branding strategy for tourism marketing for Sedona
2. Product development: Implement a plan for development of products, services, events, etc. to help drive business to Sedona in off-peak seasons.
3. Partnering: Continue to identify and develop partnerships locally, regionally and internationally.
4. Competition: Remain relevant and competitive in the tourism marketplace.
5. Consensus Building: Work with stakeholders to inform community about value of tourism.

Input From Tourism Industry Stakeholders

EXHIBIT A

As indicated in the description of our plan's development process, a critical step is reaching out to our tourism industry partners, engaging and seeking input from tourism leaders, to learn their marketing priorities, what has worked for them, and how we can apply what they know to enhance our destination's marketing, sales and visitor services. We also welcome their sales strategy insights and recommendations.

Lodging Industry Input

1. Drive winter business
 - a. Direct marketing to Phoenix, Southern California and major population centers in the Upper Midwest and Northeast
2. Drive summer business
 - a. Deliver an "Escape the Heat" message to Phoenix
 - b. Employ a "Basecamp" approach to Grand Canyon visitors
3. Keep the marketing message simple
 - a. Sedona: "The Most Beautiful Place on Earth, For So Many Reasons"

Membership Input

1. Top domestic markets: Phoenix, Southern California
2. Top International markets: Canada, Japan, Germany, UK
3. Top demographic markets: GenX, Baby Boomers
4. Two busiest times: Spring (March/April/May); Fall (September/October) and all holiday periods

EXHIBIT A

Primary Market Analysis

Current visitor studies show that the typical Sedona visitor earns \$91,800 per year. 40% of visitors come from the west (California and Arizona predominantly), 18% from the Midwest, 14% from the northeast, and 18% international (up 7% from previous study). The average age of the Sedona visitor is 57 years old, with 77% being older than 50. The typical visitor spent 3.5 days with 36% staying five or more days. (see full report in Addendum A, *Sedona Visitor Survey (January 2014 Report)*)

Sedona Target Audience for FY 15:

Geographic:

Primary:

Travel decision-makers in the drive markets of:

1. Arizona residents: Phoenix/Maricopa county
2. Visitors to Arizona (pre/post events)
3. Visitors (and potential visitors) to the Grand Canyon

Secondary:

1. Southern California, New York, Florida, Illinois, Texas
2. International markets of: Canada, Europe, Japan
3. Target markets identified by the Arizona Office of Tourism

Demographic:

Primary:

1. Age 35-54
2. Annual Household Incomes \$100,000+
3. Residents of Arizona and California
4. Couples; Families; Groups of friends and singles
5. College-educated

Secondary:

1. Age 55+
2. Household Incomes \$100,000+
3. Residents of Arizona and California
4. Couples without children living at home
5. College-educated
6. Possibly retired

Psychographic:

1. Inclined to take 3+ overnight leisure trips per year
2. Nature lovers – Scenic; Active – hikers, bikers, runners
3. Enjoys cultural activities (art collecting, shopping, dining, theater)
4. Travelers looking for unique experiences
5. Wellness interests – personal growth, cultural creative
6. Travelers looking for “down-time” or “to escape” from their busy lives

EXHIBIT A

Growth Markets

1. Younger travelers
 - a. GenX and Millennials -- that spend a higher portion of their discretionary income on travel.
 - i. Millennials = 18 – 33 years old
 - ii. GenX travelers = 34 - 49 years old
 - iii. Boomers = 50 – 68 years old
2. NextGen visitors
 - a. NextGen travelers are a relatively new category – not defined by age, gender, income or status in life. Rather, they are defined by their attitudes toward technology as an enabler of travel experiences, facilitator of transactions and a social vehicle to share provocative insights, opinions and commentary on travel destinations, experiences and travel service suppliers.
3. International visitors
 - a. Sedona is experiencing significant increases in international visits, primarily from Canada, Japan and Germany.

Increased Focus on Niche Markets

1. Weddings, Special Occasions, Honeymoons
 - Longer length of stay
 - Higher spending
 - Limited direct competition in AZ
2. Small to Mid-sized Group Meetings
 - Destination has unique drawing power
 - Ability to attract year-round visitation
 - Use of existing facilities
3. Culinary and Wine
 - Synergistic with natural scenic beauty
 - Need for greater engagement/connections, especially with restaurants
 - Growing presence of wineries and tasting rooms in the Verde Valley

Our Target Market's Mindset:

- 78% would like to stay in high-end or unique properties, if the price is right
- 60% view search engines as their go-to source
- 56% plan to spend more time shopping around before booking to ensure value
- 49% are more likely to use mobile devices for travel information while on trips

Source: Google Travel Study April-May, 2012

1. Let consumer research, benchmarking and metrics drive our marketing program.
2. Place the Sedona brand and message in front of potential and repeat visitors through paid and unpaid advertising, articles and direct contacts.
3. Continue publication of a high quality Experience Sedona Guide and other collateral providing the visitor with the necessary tools needed to plan a multi-day stay in Sedona.
4. Assist organizations with the promotion of many events and festivals held throughout Sedona.
5. Stay focused on our target audiences, geographically, demographically and psychographically.
6. Focus on seasonal growth – aim destination marketing and sales programs at driving new summer and winter shoulder season business.
7. Create a dynamic social media and email newsletter campaign and encourage local businesses to partner with our efforts, including videos, contests, blogs and more.
8. Maintain and continue to develop VisitSedona.com, making it an essential planning tool for potential visitors and a valuable resource for visitors (and residents) who are already here.
9. Significantly increase pro-active public relations efforts aimed at raising exposure in media around the world.
10. Advertise using online, TV, outdoor (billboards), airport and print media, maintaining a diverse media plan to create awareness and encourage new and repeat visitors to Sedona.
11. Encourage businesses to participate in co-operative advertising, trade shows, Sedona-sponsored publications and website.
12. Continue to develop the small group, meetings, incentives and weddings market.
13. Continue to develop the tour/travel market with focus on motorcoach and international sales.
14. Continue to track inquiries to determine which marketing efforts are most effective and bring the greatest return on investment.
15. Maintain an engaged Product Development Committee to research, assess and recommend new or enhanced products for Sedona.
16. Penetrate highest potential markets with a mix of digital and traditional media.
17. Support secondary markets with a digital presence as budget allows.
18. Test new online vehicles to see which prove to be the most responsive for Sedona.
19. Develop a media plan that will generate consumer requests, visitation to website and drive an increase in room nights booked in Sedona.
20. Use traditional media (billboards, airport signage) in primary target markets – Phoenix and Grand Canyon – to build awareness of Sedona at need times and in shoulder seasons.
21. Embrace the NextGen and their preferred communications channels: social media.
22. Word of mouth marketing has traditionally been the number one driver of consumer purchasing decisions. Today word of mouth has a new delivery mode: it's moved from lips to iPads.
23. Remarketing/Retargeting campaigns – Use this technique to enable Sedona to remain in front of qualified consumers after they leave the VisitSedona.com website.
24. Use Video. Video represents a cost-effective reach and engagement marketing channel. Travelers view videos throughout the travel planning process:
 - 64% -- when thinking about taking a trip.
 - 68% -- when looking for ideas of activities to do at a particular destination.
 - 61% -- when choosing a destination.
 - 64% -- when deciding on accommodations at a particular destination.
 - 49% -- when thinking about what type of trip to take.

Source – Google Ad Study – April-May 2012

Consumer Marketing & Advertising EXHIBIT A

Mission

The mission of the Sedona Chamber of Commerce & Tourism Bureau's Marketing Department is to promote Sedona as a premier destination (through media advertising, Internet marketing, direct marketing/sales, public relations, website and collateral and content development) in an effort to increase visitation to Sedona, maximizing return on public and private investment through these marketing activities; and, to serve as the primary resource for travel-related research for Sedona.

Background

As Sedona's primary industry and economic generator, tourism strikes a chord with the majority of our residents and businesses. The quality of life in Sedona is directly impacted by the visitors who enjoy the area's hotels, restaurants and attractions, all of which contributes to our tax base, which, in turn, contributes to the City of Sedona's general fund. This general fund helps pay for parks, sewer maintenance, road enhancements and maintenance, events, police and much more. It should be noted that the growth of tourism does not necessarily mean an increase in the number of visitors. Rather, bringing high-value visitors who will stay longer and spend more during our off-peak seasons is the goal. The SCoC&TB is charged with bringing these quality visitors to Sedona.

The SCoC&TB is continually asked to market Sedona as: a city of arts education; a city of events; a city that promotes eco-tourism; a city that promotes volun-tourism; a city that embraces the Lesbian Gay Bisexual Transgender (LGBT) market; a destination wedding hotspot; an ideal location for the groups, meetings and incentives market; a hub for the Grand Canyon and Verde Valley; the hiking capital of the world, a yoga mecca, an exceptional biking destination and the list goes on. With limited budget and resources, the SCoC&TB has stayed focused on doing the best job possible for the destination overall.

In an effort to ensure that the future of Sedona tourism continues to be developed and managed properly, the Sedona Lodging Council funded a long-range tourism plan for Sedona and worked with the Nichols Tourism Group, Inc. (NTG), a national leader in providing strategic planning, marketing and research services to the travel and tourism industry. With this foundation in place a variety of marketing strategies and outcomes have been developed.

EXHIBIT A

Destination Branding & Marketing

Brand awareness is the foundation for all marketing efforts. With the increasing competitive landscape, now is the time more than ever to keep Sedona's brand top-of-mind. Following are a few examples of key branding and marketing tactics that will be implemented.

Advertising

1. Arizona Office of Tourism Visitor Guide: Annual
2. Official State Visitors Guide, State of Arizona fulfillment piece: Annual
3. Canadian Traveler Annual Guide, Canadian fulfillment piece: Annual
4. Scottsdale Visitor Guide: Annual
5. Phoenix Visitor Guide
6. Sunset Magazine
7. Concierge program
8. Phoenix Airport Digital Signage
9. Billboards – static and digital – in Phoenix and near Grand Canyon
10. In-Market amenities promotion and calendar of events
11. Arizona Republic – Events-focused co-op
12. Cable Television in the Phoenix market

VisitSedona.com/Mobile VisitSedona.com

1. Major site enhancements – including integration of the new brand
2. Mobile site upgrades
3. Search Engine Optimization: Ongoing
4. Online Experience Sedona Guide: Ongoing
5. Feature enhanced business information including photos, amenities, maps and search filtering
6. Enhanced deals/discounts, banner advertising: Ongoing
7. Consumer contests for photos and videos that will enrich online library
8. Online Event calendar (mobile friendly)
9. Social media integration

Direct Marketing/Sales

1. Arizona Highways/AAA Travel Show: November
2. Experience Sedona Guide -- Brochure Mailing Co-Op Program: Ongoing
3. Grand Canyon consumer leads campaign

Content Marketing

1. Develop a content marketing strategy and execution plan to attract loyal visitors and to improve SEO.
2. Develop and feature expert bloggers in each of our niche positions.
Content marketing is a marketing technique of creating and distributing fresh, relevant and valuable content/information to attract, engage, and acquire a clearly defined target audience. Rather than pitching to potential visitors, we will proactively create sources of genuine information that consumers trust.

"Content marketing differs from advertising in two fundamental ways. First, content resides on owned media or earned media. Second, content marketing is a pull, rather than a push, strategy. Content doesn't interrupt, it attracts. Facebook, YouTube and blogs are obvious channel choices." – Rebecca Lieb, Advertising Age

EXHIBIT A

Internet Marketing

1. Consumer E-newsletter to opt-in database (130,000+ subscribers): Monthly.
1. Go-Arizona.com advertising: Ongoing.
2. Online Experience Sedona Guide – with embedded videos.
3. Trip Advisor – Destination Page.
4. Trip Advisor Event Calendar on Sedona, AZ homepage.
5. Facebook Cooperative featuring Deals & Discounts on VisitSedona FB Page: Ongoing.
6. Facebook Advertising: Ongoing.
7. Retargeting – display advertising that markets to interested consumers based on their previous searching patterns.
8. Pay per click keywords – (e.g. Best vacations, most beautiful place on earth, best hiking destinations, peaceful vacations, best wedding destinations, visit Grand Canyon, etc)
9. Arizona Office of Tourism co-op newsletters & other marketing opportunities: Ongoing.
10. Monthly content creation featuring Expert Bloggers in Sedona niche positions.

Collateral/Digital/Video

1. Experience Sedona Guide (ESG) – fulfill consumer leads and orders (free of charge).
2. Distribution of ESGs and brochures to Phoenix Sky Harbor Airport, State Visitor Centers, hotel concierges, AAA offices other appropriate venues: Ongoing.
3. English, Japanese, German, Portuguese and Chinese Lure Brochures.
4. Produce professional destination video.
5. Improve, enhance and integrate Sedona social media channels: Instagram, Pinterest, Facebook, Twitter
6. YouTube channel for posting Sedona-related videos all in one place.
7. Monthly videos featuring events and “what’s new” in Sedona. Shareable with all outlets and partners.

“Travel and tourism is one of the industries that is seeing the biggest impact from video content. 45% of leisure travelers and 74% of affluent travelers have been prompted to book travel as a result of online video.” Traveler’s Road to Decision, Google, July 2012

Research

1. Subscription to Smith Travel Research Hospitality Trend Reports: Monthly.
2. Monthly Sedona Visitor Profile online surveys with executive summaries two times per year.
3. Northern Arizona University Visitor Profile Study: Annual.
4. Travel Pro Tour Tracker: Tour and Travel market metrics.

Destination Goal: Implement an Effective New Brand Identity

One overall tactical strategy, which cuts across geographic and programmatic lines, will be the implementation of a new brand for Sedona in FY15. A campaign that captures the Sedona brand essence – in print and in video -- has received strong positive response from the Sedona Lodging Council, the Sedona Marketing Advisory Committee and the SCoC&TB Board of Directors. The new brand look, the visuals, audio and the tagline will be applied in all advertising, public relations, social media and display.

Overall Marketing Outcome

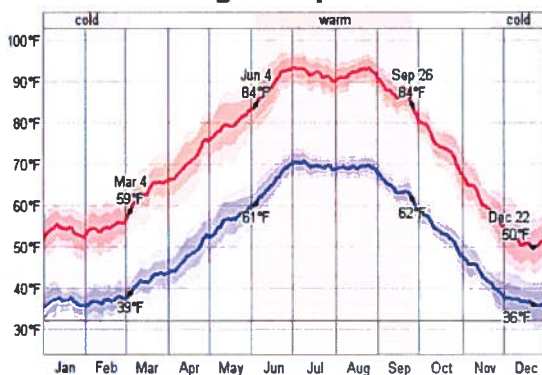
1. Generate no less than a total of 20,000 inquiries from high demographic customers in Domestic and International markets
2. Generate a minimum of 1,000,000 unique visitors to the Sedona website
3. Generate 150 million overall impressions for Sedona
4. Generate \$250,000 in partnership cooperative revenue

Market-Based Promotional Strategies **EXHIBIT A**

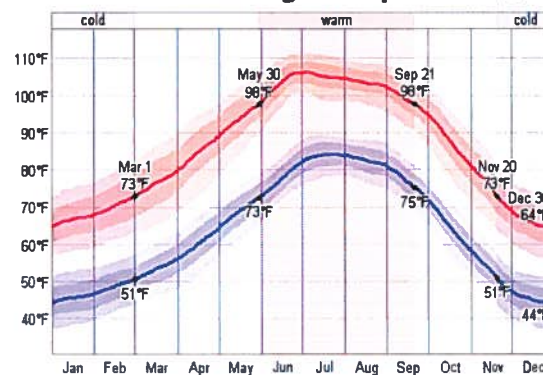
Strategy #1 -- Target Residents & Visitors to Arizona - Focus on Phoenix

Phoenix is two hours south of Sedona, with a 6 million population, and is Sedona's primary geographic target market. Demographically, within Phoenix, the target is people 35 to 54 years old, married -- with or without families -- and couples, with a household income of more than \$100,000 a year. The psychographic target market is travel adventure enthusiasts, young at heart, seeking new and unique experiences -- or those just looking for relief from the heat. Summer heat -- and temperature differences between Phoenix and Sedona -- will be a primary message in the Phoenix market during the summer, aiming to convince Phoenixians to head north to the cool nights of Sedona. Special note: We define the "Phoenix-area" as Maricopa County, Paradise Valley, Scottsdale, Mesa, etc.

Sedona's Average temperatures



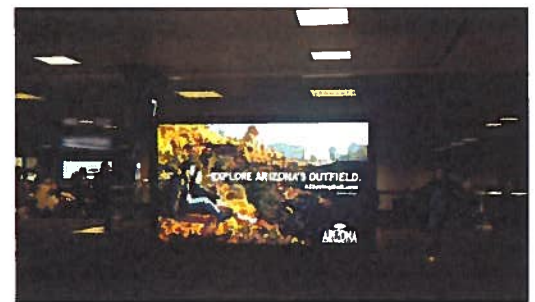
Phoenix's Average temperatures



Tactic 1 -- Airport Exposure

Tactic 1.1 -- Digital Signage at Sky Harbor Airport

Sedona will place digital advertising on static **baggage-area** boards, flashing in synch for 10 seconds and rotating with other advertising. This is another example of a captive audience, watching, waiting. The extra advantage of the airport boards is that the message can be customized to include the Sedona brand, attractions and to feature timely special events, depending on time of year. The other advantage is that these boards will be up during winter and summer shoulder seasons and will be live leading up to and during major Phoenix area events that draw a high volume of domestic and international visitors.



Sample sign purchased by Arizona Office of Tourism in spring 2014

Airports are referred to in the advertising business as "high dwell time environments", which deliver a captive audience. A recent study indicated that Frequent Flyers are 83 percent more likely to be the first to try or buy new products or services. Not that Sedona is new -- but it may be new to many of the thousands who fly in thinking about Phoenix or Scottsdale, but are open to the idea of visiting Sedona, either during their trip, or on their next one.

EXHIBIT A

The goal of Sedona's airport advertising is to build awareness of Sedona as a destination of great natural beauty, close-by to Phoenix, and to inform travelers of attractive activities and events that take place here. Because these boards are digital, the message can be edited as necessary.

Outcome

1. Generate 10 million impressions

Tactic 1.1 – Sedona Information Distributed at Arizona Airports

The purpose of distributing the Experience Sedona Guides (ESG) is to make visitors to major airports in Arizona aware of Sedona as a destination within easy reach, if their plans are open-ended, or provide detailed information for those whose plans include Sedona as a stop during their stay. Sedona information will be distributed at Sky Harbor Airport (Phoenix), Gateway (Mesa) & Airports in Tucson & Flagstaff.

Outcome

1. Distribute 25,000 Experience Sedona Guides at Information Kiosks in Sky Harbor Airport
2. Distribute 12,000 Experience Sedona Guides at Tucson International Airport
3. Distribute 2,400 Experience Sedona Guides at Flagstaff Pulliam Airport
4. Distribute 2,400 Experience Sedona Guides at Phoenix-Mesa Gateway Airport

Tactic 2 – Phoenix Broadcast

Phoenix television will be a tactic with the new brand campaign. Armed with a new contemporary video that speaks to Sedona's contrasts and it's very special nature in a positive way, this message is strikingly genuine, memorable and for some, emotional. The campaign holds the potential to be one of those ads that will resonate for a long, long time. The challenge will be to pars the piece in ways to fit traditional (albeit cable) programming without losing its impact.

Impressions will determine the range and frequency of the media buy in Phoenix and our ability to penetrate the market with enough strength to make a difference. Broadcast is a piece of the integrated plan and will authenticate the message.

Outcome

1. Generate 9 million impressions

Tactic 3 – Outdoor Advertising (Billboards)

EXHIBIT A

Sixteen million people travel to metropolitan Phoenix each year – most by car. Daily commuters number in the hundreds of thousands. Summers in Phoenix are hot. A billboard approach – short, crisp messages and colorful, clear visuals – will display the beauty of a Sedona message and add a weather one. Sedona is cooler in the summer – and digital billboards will flash weather comparison information (and night-time temps) to tell that story succinctly and authentically. Boards will go up in July and remain for the summer season. Sedona-messaged billboards will also be in the Phoenix/Valley market during winter months – November through January – to reach travelers in for major events like the Phoenix Open Golf Tournament, the Barrett Jackson Car Show, the Arabian Horse Show, the Super Bowl and the NFL Pro Bowl.

Billboard advertising remains an extremely effective form of advertising, especially along with other mediums in that market. Billboards aren't there to persuade consumers to do anything, not overtly anyway. Outdoor billboards are about building brands, and strengthening images.

Brand recall is the holy grail of advertising, the ultimate goal of all advertisers is to make the brand they are promoting a household name. This is achieved by promoting recall, rather than through persuasion. The Sedona message will be simple, highly visual and memorable.

Other than impressions, the only numbers that can be measured with billboards are the road or foot traffic that will have a clear vantage point of that billboard at any given time.

People in transit are in many ways a captive audience. For typical working Americans, the commute to and from work is most of the idle time they will have on most days – time stuck in traffic for travelers has the same effect. Billboards are all about recall, the more present a brand is in the consciousness of its intended target market the better.

Outcome

1. Generate 53 million impressions

Tactic 4 – Digital Marketing

Tactic 4.1 -- Search Engine Marketing & Pay-Per-Click

The Phoenix-targeted SEM/PPC campaign will be comprised of a balanced mix of channels (paid search, content marketing, re-marketing, mobile, interest categories) and will be monitored for cost-effectiveness as measured by conversions (bookings, requests for ESGs, join our newsletter list.) Include calls to action: direct consumers to the VisitSedona.com site; "book now", "request an Experience Sedona Guide" and "sign up for our newsletter".

Outcome

1. 500,000 impressions
2. 30,000 clicks
3. Cost -- \$.90 per click
4. Achieve average 4% click through rate
5. Newsletter sign-ups – 5,000

EXHIBIT A

Tactic 4.2 Go-Arizona.com

Go-Arizona's "GO" button breaks down Arizona travel into three ways to plan a vacation: Places to Go, Things to Do, and Travel Planning. Starting with Arizona activities, destinations or accommodations, Go-Arizona shows nearby places to visit and other things to see and do in the area, then gives options for where to stay. Visitors to the site can see photos and videos, plus local advice from people living in Arizona.

Go-Arizona has produced 1,781 consumer requests for information about Sedona since January of 2014 and averages 4,863 annually. The site includes travel planning links that generate requests for Experience Sedona Guides and five Sedona content pieces covering the Spiritual/Metaphysical side of Sedona, Arts and Culture, Wine Tours and Tastings, Bird Watching and the Cooler Sedona (cooler than Phoenix) all are featured on the site, as are photos (our own) and a limited number of videos. As a source of inquiries for Experience Sedona Guides and as an endorser of Sedona as a travel destination, the site is working.

Outcome

1. 3,000,000 impressions
2. Target cost -- \$.50 per click
3. Target for newsletter signups – 5,000

Tactic 4.3 – Consumer E-Newsletters

Email newsletters delivered every month, targeted and designed to inform opt-in subscribers of what's new in Sedona and upcoming events and services in their particular pocket of interest – which align with identified Sedona niches.

These consumer e-newsletters are directed to a pre-qualified audience of those who have opted in for more information about Sedona and welcome updates on new attractions in their areas of interest and in events taking place that might align with the topic. Responses are monitored, including open rates and click-throughs, which allow us to further fine tune messages and determine predominant areas of interest. Opportunities exist to involve Tourism Bureau members, including their marketing messages for a fee. Currently users can sign up for seven themed newsletters (see below).

Outcome

1. Increase overall impressions from 1,250,000 to 1,460,000 (5%)
 - o Increase overall subscriber base to the following (approximately 5%):
 - General Interest: (116,624 subscribers to 122,000)
 - Outdoor Recreation: (22,605 subscribers to 23,900)
 - Spas & Wellness: (12,300 subscribers to 12,900)
 - Festivals & Events: (20,923 subscribers to 22,000)
 - Spiritual & Metaphysical: (10,793 subscribers to 11,300)
 - Arts & Culture: (17,620 subscribers to 18,500)
 - Deals & Discounts: (23,988 subscribers to 25,200)
2. Achieve average open rate from 18% to 20%

EXHIBIT A

Tactic 4.4 -- Mobile campaigns

Mobile devices (including smart phones and tablets) currently represent almost 30% of overall website traffic to VisitSedona.com. Continued robust growth in the use of these devices is expected in 2014-15. These users are also much more likely to visit our URL while in the destination. The goal is to reach Phoenix mobile users during the sultry summer months with a weather alternative message – head to Sedona to cool off. Monthly consumer e-blasts will also reinforce that message. Currently 40% of the VisitSedona.com traffic is viewed on mobile devices.

Outcome

1. Increase mobile traffic by 4% (465,000 current unique visitors to 483,000)
2. Increase time on site (mobile) from 2:38 to 2:45

Tactic 5 -- Trip Advisor

The very familiar Trip Advisor, the world's largest travel website, provides directory information and reviews of travel-related content, is supported by several advertising models available to destinations, including City Guides, which enables cities to own most content on the page, list current and upcoming events and make banners on the site available to tourism partners. The strategy is to target Phoenix-based visitors to Trip Advisor with brand advertising, "deals", photo & video galleries, various links (map, website, events and Sedona's social media), messages to suit the season and with events information.



Spotlight tracking, similar to retargeting, will keep the Sedona message in front of Trip Advisor visitors for 15 days after their first visit to the Sedona Trip Advisor site, regardless of where they go on the web.

Outcome

1. Increase Sedona Trip Advisor page views by 35% (from 361,288 to 500,000)
2. Achieve average 10.15% click through rate
3. Increase time spent on Sedona Trip Advisor site by average of 2 minutes

Tactic 6 -- Concierge Marketing

The SCoC&TB promotes Sedona to the career concierge working in Greater Phoenix area hotels and resorts. Concierges make activity and travel recommendations to hotel and resort guests, and it is important to keep them informed about Sedona and updated on events, activities and attractions.

Elements of the concierge marketing program include:

Sedona will address the National Concierge Association Valley Chapter Presentation twice a year and be included in monthly e-newsletters sent to 400+ Valley career concierges per month. Concierges are also sent a copy of the two-month Sedona Events Alliance calendar monthly.

Outcome

1. Produce 730,000 guest recommendations per year
2. Generate 1,000 impressions from Concierge newsletter
3. Average open rate of 20%

EXHIBIT A

Market-Based Strategy #2 – Grand Canyon Visitors & Potential Visitors

More than 4.5 million people visited the Grand Canyon in 2013. Untold millions shopped Grand Canyon vacations via search engines, specialty sites and publications. The target audience fits our profile:

- Frequent travelers who prefer active and enriching vacations
- Families with children – 65%
- Median age – 42
- Median household income -- \$101,500
- 59% first-time visitors to the Grand Canyon
- 61% take 2-4 leisure vacations per year
- 55% drove; 45% flew (Phoenix/Las Vegas, Denver)

The Grand Canyon visitor and prospective visitor is a prime prospect for a Sedona message that encourages Sedona serve as hub for day trips north to the Grand Canyon. With Sedona at the center, visitors can also go west into the Verde Valley for activities such as fishing, wine tasting and experiencing authentic reenactment of 19th century life in the West. Sedona provides family fun and adventure, including heritage sites, state parks, archeology, hiking, horseback riding, and swimming just to name a few..

10 Most Visited National Parks (2013)

National Park	Recreational Park Visits
1. <u>Great Smoky Mountains National Park</u> (TN, NC)	9,354,695
2. <u>Grand Canyon National Park</u> (AZ)	4,564,840
3. <u>Yosemite National Park</u> (CA)	3,691,191
4. <u>Yellowstone National Park</u> (WY, MT, ID)	3,188,030
5. <u>Olympic National Park</u> (WA)	3,085,340
6. <u>Rocky Mountain National Park</u> (CO)	2,991,141
7. <u>Zion National Park</u> (UT)	2,807,387
8. <u>Grand Teton National Park</u> (WY)	2,688,794
9. <u>Acadia National Park</u> (ME)	2,254,922
10. <u>Glacier National Park</u> (MT)	2,190,374

Source: National Park Service

Tactic 1 – Outdoor (Billboards)

Interstate 40 (I-40) is an east-west Interstate Highway that has a 359.6-mile (578.72 km) section of Arizona connecting California to New Mexico and from both directions provides access points to the Grand Canyon. I-40 enters Arizona from the west at a crossing of the Colorado River southwest of Kingman. It travels eastward across the northern portion of the state connecting the cities of Kingman, Ash Fork, Williams, Flagstaff, Winslow, and Holbrook. I-40 continues into New Mexico, heading to Albuquerque.

For the majority of its routing through Arizona, I-40 follows the historic alignment of U.S. Route 66. The lone exception is a stretch between Kingman and Ash Fork where US 66 took a more northerly, less direct route that is now State Route 66. Traffic statistics and patterns are still to be determined, but the plan is to place high profile billboards along stretches of this interstate or along historic Route 66 to alert travelers that they are passing near "The Most Beautiful Place on Earth". As noted in the Phoenix billboard program, billboards are about building awareness, and that is difficult to measure without a visitor intercept survey or conversion study. The calls to action will be the VisitSedona.com website, with a Grand Canyon extension.

Outcome

1. Generate 25 million impressions

EXHIBIT A

Tactic 2 -- Grand Canyon Chamber of Commerce Lead Generation

This is a first-time effort, similar to the Phoenix meetings leads mailing program presently in place, although this program will be aimed at consumers, whereas the Phoenix program targets planners interested in meetings, conferences, and group outings.

Outcome

1. Produce incremental leads
2. Expect leads to be "hot" – well qualified and very much interested in accommodations, attractions, amenities and event alternatives
3. Action on these leads will be a quick response with an Experience Sedona Guide and targeted promotional flyer featuring Sedona as the overnight destination

Tactic 3 – Trip Advisor Grand Canyon

Banner advertising on Grand Canyon's Trip Advisor page is also a first foray, but results will be track-able using Trip Advisor metrics. Sedona incentives will be posted on the Grand Canyon Trip Advisor page

Outcome:

1. Influence visitors to consider Sedona as the overnight destination with a daytrip to the Grand Canyon
2. Achieve average 10.15% click through rate
3. Achieve average 25% open rate

Strategy #3 – Sedona Events Promotional Strategy**Tactic 1 -- Enhanced Online Calendar**

Sedona's efforts will be to assist, coop or produce events that generate positive economic return for Sedona. Every month, the SCoC&TB will create video featuring all the upcoming events during that time period. This video will be featured on the event calendar page and will be shared with area partners. The Sedona Events Calendar, which will be complete and operational with the launch of the new VisitSedona.com website in July, is a critical component of this mission and will require maintenance of the Calendar as a robust, one-stop-shop, housed on the VisitSedona.com website.

Marketing use of the Calendar, encouraging submissions by working closely with the Sedona Events Alliance and other Sedona Events is crucial to success of this calendar becoming comprehensive and a valuable resource for planning. Along with a new online Calendar of Events module on the newly redeveloped VisitSedona.com site, a mobile version of the site will also be more consumer-friendly, regularly updated and current for those who will seek events and activities information about Sedona. We expect to see spikes in mobile site visits, especially around major events dates in Sedona, and at peak times for planning in the spring and late summer.

Outcome

1. Increase Total Calendar Page Views by 10% – from 53,739 to 60,000

Tactic 2 -- Full page Arizona Republic with Events Focus

Four full pages in the Explore Arizona Section of the Arizona Republic will run at key event planning and promotional times – July, September, December and May. The goal is to generate more awareness and greater attendance from a wider audience – especially residents of and visitors to Phoenix, Scottsdale and the Greater Valley region.

Outcome

1. Achieve 1,160,000 million impressions (290,000 circulation X 4)
2. Build awareness of Sedona's events and Festivals
3. Develop packages with local partners (ask for booking numbers for tracking)
4. Ultimately help assist in increasing attendance at local events

Tactic 3 – In-Market Promotion with Local Television

The SCoC&TB will purchase air time on local in-market stations to welcome and inform visitors about what's happening in Sedona. The purpose of this tactic is twofold 1) to enhance the visitor experience by informing them of events taking place during their visit and 2) to increase the number of repeat visitors by informing them of upcoming annual events that may trigger another visit. All ads will send visitors to the online event calendar which is mobile friendly and will feature the monthly video.

Outcome

1. Provide timely information about events or activities to create a "buzz" about Sedona as a highly lively destination for visits and repeat visits.
2. To increase overall visits to the online event calendar
3. To ultimately help increase attendance at local events
4. Increase overall referrals for event partners by 5%.

Tactic 4 -- Trip Advisor Event Calendar

As part of the Trip Advisor Destination Page buy, one major benefit is control of the page for Events listings purposes, at our choosing. With Trip Advisor already logging 361,288 page views in 2013, providing the chance for those who visit the site to see ongoing and annual events in Sedona further contributes to a rightful assessment of Sedona as a vibrant, culturally stimulating, highly active, never boring place to visit – reinforcing the brand, delivering the right message and allowing us to manage information on the site for those contemplating a stay.

Outcome

1. Increase visitation to the online calendar site, by 10%
2. Increase overall referrals for event partners by 5%

Tactic 5 – Local Concierge Marketing & Event Flyer Distribution

Local concierges at hotels and resorts are often consulted when it comes time for guests to decide what to do and where to go for activities, events or entertainment. We will provide concierges with the most current information and training in order to best assist a guest – in a friendly and inviting way – to make the most of their stay in Sedona.

A local concierge program, sponsored by the Sedona Events Alliance, has been in place in Sedona for some time with a recognizable, congenial host. SCoC&TB will distribute a monthly printed events calendar to concierges and business cards featuring a QR code that drives visitors to the online mobile event calendar. This printable event calendar (which features two months at a time) is also emailed to 400 local and regional contacts on a monthly basis.

Outcome

1. Distribute 1,000 Event Flyers to concierge
2. Generate 4,800 impressions from email blasts
3. Generate better awareness of Sedona events
4. Increase overall traffic to online calendar by 5%
5. Track the number of QR codes scanned

Strategy 4 -- Travel Trade Industry Sales

EXHIBIT A

The SCoC&TB has been involved in the Travel Trade Industry by reaching out to various segments of a complex travel distribution system. The SCoC&TB partners with a network of nearly 400 Tourism Bureau members and other travel industry stakeholders to market the Sedona area as a premier leisure travel destination, both domestically and internationally.

According to the U.S. Department of Commerce, Office of Travel & Tourism Industries, travel and tourism provided a \$57.1 billion balance of trade last year. The U.S. received a record 69.8 million visitors spending \$180.7 billion. Flagstaff-Grand Canyon-Sedona, AZ is ranked among the 12 top cities visited by international visitors following New York, Los Angeles, Las Vegas, San Francisco, Orlando, Miami, Honolulu, Washington D.C., Boston, Chicago, and San Diego. The international market is important to Sedona's tourism industry as these visitors tend to travel during Sedona's slower seasons. Exchange rates also affect our international markets as favorable exchange rates make traveling to the USA a bargain for many foreigners. As competition is strong, the SCoC&TB needs to make efforts to maintain and expand its presence in both leisure (individual travel) and group programs.

The motorcoach industry is also an important segment to Sedona's tourism industry. According to the American Bus Association Economic Impact Study of January 2013 by John Dunham and Associates, Inc., the direct economic impact of the motorcoach industry was more than \$1 billion to the state of Arizona and more than \$200 million for Arizona Congressional District 1. A product inventory study by Travel Trade Marketing Inc. shows that 53 motorcoach tour departures were scheduled to overnight in Sedona. There were 2,429 group tour departures scheduled to cities in Arizona, which indicates about 2.2% of tours scheduled overnights in Sedona. Applying this percentage to the direct impact of the motorcoach Industry figure to Arizona, we can anticipate the direct impact to Sedona was over 22 million.

Strategies and Techniques

The SCoC&TB Sales Department emphasizes professional sales techniques, excellent service, and one-on-one contact with travel trade professionals. The department reaches out to travel trade professionals of various segments in the travel distribution system to gain inclusion in their programs.

Easy access to Arizona via direct flights to Phoenix by WestJet, Air Canada, and US Airways from Canada and by British Airways from the U.K. makes Canada and the U.K. important international markets. Consistent media exposure in Japan also makes Japan another important international market. Sedona's current key international markets are Europe (focus on the U.K. and German speaking countries), Canada, and Japan.

According to the product inventory report by Travel Trade Marketing Inc., more than 31% of scheduled group tour departures included an overnight in the Grand Canyon; over 24% in Page and about 24% in Phoenix or Scottsdale. There are opportunities to increase Sedona's market share by marketing Sedona as an overnight destination to those motorcoach tour operators.

All of these markets are best influenced through positive editorial placements, consumer advertising and positive relationships with travel agents, wholesale tour operators and receptive tour operators. The SCoC&TB will continue strong direct sales efforts to capture individual travel and group tour business to the Sedona area. It will also look to new markets (e.g., special interest, domestic and international incentive and emerging international markets) to maintain and to increase its market share.

- Target Markets: Domestic, Canada, Europe, Japan
- Emerging Markets to Watch: Mexico, Brazil, China, Korea

EXHIBIT A

Overall Sales Goals:

1. Generate 70 domestic and international hotel leads and service request leads.
2. Promote Sedona as one of the world's top leisure destinations to 2700 targeted clients through quarterly e-newsletter communications, trade shows and sales missions.
3. Produce 750 service request referrals for Sedona businesses.

Tactic 1 – Direct Sales Missions:

Schedule sales trips to contact Canadian and Asian tour operators and receptive operators. The Sedona Chamber of Commerce and Tourism Bureau also participates in sales missions, which are conducted in partnership with other Arizona and regional visitor organizations to encourage clients to utilize Arizona and regional facilities, including Phoenix Sky Harbor International Airport. The staff of the Travel Industry Sales Department plans to conduct following sales trips/missions. It is important to note that this list may change as market conditions dictate.

- Los Angeles: Target -- receptive tour operators
- Las Vegas: Target -- receptive operators
- Canada: Target -- Canadian tour operators/travel agents
- Japan: Target -- Japanese tour operators

Outcome

1. Complete four domestic and international sales trips
2. Conduct sales meetings with approximately 130 qualified clients
3. Conduct seminars for identified niche markets

Tactic 2 – Direct Sales - Industry Trade Shows

Attend industry trade shows, giving the Sedona Chamber of Commerce & Tourism Bureau the opportunity to make new contacts, strengthen relationships with existing clients, and promote Sedona to a large number of people in a short amount of time. The staff of the Travel Industry Sales Department plans to attend the following trade shows. It is important to note that this list may change as market conditions dictate.

- National Tour Association Exchange, targeting domestic motorcoach operators
- Go West Summit, targeting international, receptive & domestic operators
- U.S. Travel Association's International Pow Wow, targeting international, receptive & domestic operators

Outcome

1. Generate overall 70 qualified inquiries
2. Meet with 100 domestic and international travel trade professionals

Tactic 3 -- Familiarization (FAM) Tours

Coordinate site inspections that allow the SCoC&TB to showcase Sedona and its products to motorcoach, travel agent and group tour clients, receptive operators and international tour operators. The Sedona Chamber of Commerce & Tourism Bureau will also participate in cooperative FAM tours with statewide partners, as opportunities arise.

Outcome

1. Create at least 20 customized individual FAM tour itineraries

EXHIBIT A

Tactic 4-- Create Itineraries

Develop pre-packaged itineraries, featuring extremely detailed information regarding attractions, timing of travel, and dining and housing options. These itineraries will sell the many attributes of the region that make doing business in the Sedona area easier for tour operators and planners. Planners can then utilize the itineraries to develop and market their tours to prospective clients.

Outcome

1. Enhance and develop existing itineraries, based on time of year and attraction developments, to distribute to individual clients and at trade shows
2. Include Sedona's niches; outdoor adventure, arts & culture, and spiritual activities in itinerary planning pieces

Tactic 5 -- Provide Client Services

Ensure repeat business by providing planning support, sales support materials, data and file maintenance and other services to clients who are designing Sedona tours and packages. The Travel Industry Sales Department creates destination training presentations. Key clients include motorcoach operators, U.S.-based receptive operators for European and Asian travel trade, and international tour operators.

Outcome

1. Fulfill collateral material requests to both domestic and international clients (e.g., brochures, images; as needed)
2. Advise clients on arranging custom itineraries, planning unique activities, and handling the logistics of travel in Sedona and the Southwest region

Tactic 6 – VisitSedona.com

VisitSedona.com will be the primary website to promote Sedona as a destination for travel trade industry professionals. In fact, the Sedona Chamber of Commerce & Tourism Bureau continues to add pages targeted for travel agents with information on commissionable packages, detailed sample itineraries.

Outcome

1. Increase the percentage of international visitors to the VisitSedona.com website:
 - Canada visitors = from 5.2% in 2013 to 6% in FY15
 - Japanese visitors = 4% in 2013 to 5% in FY15
2. Generate qualified inquiries, FAM requests, RFP submission, etc., and create more opportunities to sell Sedona packages offered by Sedona businesses.

Tactic 7 -- Travel Trade Newsletter

Produce quarterly newsletter including recent Sedona accolades, new lodging property and attractions openings and renovations, upcoming events, and promotions of interest to tour operators, travel agents and motorcoach operators. Distribute to more than 2,700 travel trade professionals.

Outcome

1. Maintain database of contacts above 2,700 – and focus on most active tour operators
2. Exceed 10,000 impressions for quarterly Sedona tour industry e-newsletters,
3. Maintain e-newsletter open rate average of 31.5%

Strategy 5 – Meetings, Group, Incentive and Wedding Sales

EXHIBIT A

The SCoC&TB had been “reacting” in the meeting, event & group sales arena except for reaching out to meeting/event planners of meetings and events in the Greater Phoenix area until 2012 when it contracted a Director of Sales and participated in the IMEX America trade show. The goal of attending meetings industry trade shows was to be more proactive in this lucrative and track-able market segment. The work of the SCoC&TB Sales Department, combined with that of the hotel & resort properties and related businesses, is designed to create a healthy meeting, event & wedding business climate for Sedona, generating room nights and incremental visitor spending, especially in need-time periods.

According to the U.S. Travel Association, \$244.16 billion is spent each year for business travel, an amount that represents one-third of total U.S. travel spending. Spending in Arizona is \$4.84 billion. Hotels, motels, and resorts account for 80% of business trip accommodations. The average length of stay for overnight business trips is three nights. Phoenix/Mesa is among the top 25 metro areas for both convention/conference/seminar travelers and for general business travelers. The SCoC&TB has been reaching out to meeting and event planners who were organizing conventions/conferences/meetings/events in the Greater Phoenix area to encourage their participants’ pre/post visits to Sedona and/or to invite those meeting and event planners for a familiarization tour to Sedona.

According to *MeetingNews*, approximately one-third of corporate and association meeting planners ‘always’ or ‘often’ work with Convention & Visitor Bureaus when planning meetings. U.S. Travel Association reports that percentage of business travelers engaging in various activities are as follows: Dining 31%, Shopping 16%, Entertainment 11%, and Sightseeing 11%.

Non-business conference (aka SMERF – social, military, education, religious & fraternal) is defined as a conference, meeting, or special event unrelated to a job or occupation. Some such are alumni, fraternity, or sorority reunions, military reunions, religious conferences, self-improvement or educational conferences, and social events, hobby-related conferences. According to U.S. Travel Association travel poll, 36% of Americans have traveled to attend a non-business conference for personal, social or civic reasons in the past five years.

Focus

The SCoC&TB emphasizes professional sales techniques, excellent service, and one-on-one contact with meeting & event planners, and it reaches out to individuals to bring weddings to Sedona through consumer marketing and public relations efforts. The SCoC&TB is committed to an enhanced focus on booking future business that will help fill meeting, event & wedding facilities in the Sedona area, as well as conducting sales and marketing activities that will result in business in the future and during short-term need periods. The SCoC&TB focuses on high-yield group markets that Sedona’s hotel & resort properties and meeting facilities are not able to fully solicit on their own by offering cooperative sales and marketing opportunities.

The SCoC&TB’s program of work must be flexible. Based on market conditions and the input of industry partners, its sales programs may be modified instantly to take advantage of the current business climate.

Overall Sales Outcomes

1. Develop 130 group leads for Sedona properties
2. Conduct 20 customer interaction/site inspections for Sedona properties
3. Confirm 35 convention bookings for future dates resulting in 2500 room nights

Tactic 1 – Direct Sales: Industry Trade Shows

Industry trade shows give the SCoC&TB the opportunity to make new contacts, maintain relationships with existing clients, and promote Sedona to a large number of people in a short amount of time.

The Sales Department staff plans to attend the following trade shows. It is important to note that the proposed shows may change as market conditions dictate.

- AIBTM (The Americas Meetings & Events Exhibition) -- Target: North American meeting/event planners
- IMEX America -- Target: International & Domestic meeting/event planners

Outcome

1. Develop 55 qualified leads

Tactic 2 -- Provide Quality Client Services

Ensure repeat business by providing planning support, sales support materials, and other services to clients who are planning meetings, events and weddings.

Outcome

1. Produce and distribute 2500 Sedona Destination Event Planner Guides
2. Fulfill collateral materials requests to both local, regional, domestic and international clients (e.g., brochures, images; as needed)
3. Advise clients on arranging meeting, events, and weddings in Sedona

Tactic 3 -- Familiarization (FAM) Tours & Site Inspections

Showcase Sedona by conducting FAM tours and site inspections, which are arranged by SCoC&TB staff, to give individual clients an opportunity to experience Sedona's hotels, restaurants, attractions and transportation systems first-hand. Site tours are planned according to each client's needs and interests. Member hotels, attractions and restaurants often facilitate this process by offering services and tours free of charge.

Outcome

1. Conduct 20 site inspections of Sedona for highly-qualified meeting planners who are in the process of considering Sedona for meetings and events.

Tactic 4 -- Meeting Planners Direct Mailing Program

A direct mailing piece is sent to meeting and event planners organizing and attending a meeting/convention/event in the Greater Phoenix area to apply for a Sedona FAM tour or to respond to us declaring they are interested in Sedona as a meeting/event destination.

Outcome

1. Generate 15 FAM requests for FY15
2. Mail out 1,000 information packets to 250 meeting planners
3. Continue program that allows Sedona businesses to cooperatively market by including their brochures in the mail out packets

Tactic 5 -- Website Development

VisitSedona.com will be the primary website to promote Sedona as a destination for small meetings, groups, events, and weddings. It will reflect the Sedona brand.

Outcome

1. The call to action is VisitSedona.com for increased awareness of Sedona as a small meeting and event destination. The site will include RFP function, FAM application, and Sedona Destination Event Planner, using turn-page technology

Tactic 6 -- 2014-2015 Sedona Destination Event Planner

This primary response piece is used to fulfill meeting, group, event, and wedding inquiries. The DEP reflects the brand and supplement the 2014-2015 Experience Sedona Guide.

Outcome

1. Distribute 2,500 Sedona Destination Event Planner
2. Generate 30,000 page views on VisitSedona.com/meetings

Tactic 7 -- Meeting & Event Planners Newsletter

Produce and distribute quarterly newsletter to more than 2,000 meeting & event planners describing Sedona's meetings, conference and group capabilities.

Outcome

1. Generate awareness of Sedona as a meetings, group or weddings destination
2. Generate at least 20 offers for FAM tours to interested and qualified planners

EXHIBIT A **Strategy 6 -- Public Relations, Events Promotion**

Public Relations -- Earned media is a critical way that the SCoC&TB puts brand voice into our overall marketing – ongoing destination public relations develops national and international stories, features and non-paid media coverage that averages about \$10 million in ad equivalency value. The goal for 2015 will be to generate \$12 million in ad equivalency value. In order to accomplish that, the following will be implemented.

Integrating Social Media and PR – Travel social media and PR are essentially one in the same – both are about telling compelling, relevant and authentic stories that impact target communities of travelers. We plan to engage a PR firm to help in becoming more pro-active in media outreach and events promotion. A theme-based approach to Public Relations efforts has been developed to tie in with destination marketing niche positions. We utilize these themes to pitch story ideas, create conversation and generate awareness of Sedona.

Visiting journalists/media assistance – We continue to actively pursue (and field requests from) pre-qualified media travel journalists to visit Sedona and we assist in their story development. Traditional print and broadcast media outlets, freelance travel journalists and well-qualified bloggers, tweeters and the like will be pursued.

Events -- The mission of the Events portion of Sedona’s Public Relations efforts is to assist, coop or produce events that generate positive economic return for Sedona and specifically to develop and grow the Sedona Marathon Event and Holiday Central Sedona.

- The SCoC&TB Online Events Calendar, currently in development, is a critical component of that mission and will require maintenance of the Calendar as a robust, one-stop-shop, housed on the VisitSedona.com website.
- Marketing use of the Calendar – encouraging submissions, working closely with the Sedona Events Alliance and other Sedona Affinity Groups is crucial to success if this Calendar is to be considered comprehensive and a valuable resource for planning.
- Members and non-members will be able to submit their events.

The SCoC&TB will provide up-to-date media materials including media kits, story ideas, fact sheets, an online image library (downloadable photos), and HD B-roll. These materials are important tools that are used to respond and pitch Sedona to media professionals. We will utilize state-of-the-art technology to quickly serve the media and film professionals.

Overall Media Outcomes

1. Generate 500 travel articles about Sedona
2. Reach a minimum of 50 million readers/viewers through editorial placement
3. Generate publicity with an equivalent advertising value of at least \$10 million

EXHIBIT A

Tactic 1 -- Media Marketplaces

Continue to develop our media relations through one-on-one direct sales efforts to qualified travel journalists, editors, guidebook authors, bloggers, and radio and TV producers by participating in the following Arizona Office of Tourism and Phoenix media marketplaces:

- Vancouver Media Marketplace (August)
- Arizona Media Marketplace (November)
- Los Angeles Media Mission (January)
- San Francisco Media Marketplace (February)
- Chicago Media Marketplace (March)
- International Pow Wow, Media Marketplace (April)
- Canada Media Mission (November)

Outcome

1. Increase awareness of Sedona as premier destination to generate overnight visitation
2. Meet face-to-face with at least 30 writers per marketplace, along with follow-up with story ideas, site tour invitations and collateral targeted to these writers' audiences
3. Generate overall \$10 million in ad-value editorial
4. Pitch story ideas and provide USB media kits to all media attendees

Tactic 2 – Aggressive Media Outreach

Research, write, edit and distribute a broad monthly media release on new happenings in Sedona. This will be sent to our domestic and International contact list of 2,000+ and growing. The SCoC&TB will also utilize a PR Firm to pitch Sedona to highly targeted publications and travel outlets. The themed approach is identified in the FY15 Program of Work (page 41-42 of this document).

Outcome

1. Support departmental goal of generating \$10 million in ad-value editorial
2. Assist 500 media/film professionals
3. Grow media contact list by 20% (2,000 media contacts to 2,400)

Tactic 4 -- Media Leads

Every month, the SCoC&TB receives and distributes qualified media leads to members. These leads allow members to respond individually to reporters, editors and TV/radio producers interested in topics, sites or products relevant to their respective industry segments. Media leads may be culled from a variety of sources: trade show contacts, Internet requests, sales contacts, and the bi-monthly Media Release. Media leads are vetted through a comprehensive system.

Outcome:

1. Generate 10 media leads per month

EXHIBIT A

Tactic 5 -- Social Media

Travelers often collect various forms of information early in the travel decision-making. Advice from friends, family, and other peer groups helps travelers when planning visits to destinations. Word-of-mouth (WOM) is an example of this advice and it is considered one of the most influential information sources that consumers can turn to when planning travel. Traditional WOM often consists of face-to-face conversations between consumers about product and service experiences.

With the advent of the Internet, consumers can easily seek destination information from other consumers and the online environment provides the opportunity for consumers to offer their own consumption-related advice by engaging in electronic WOM. Electronic WOM is highly effective through the Internet and there is a far greater abundance of electronic WOM than traditional WOM in the offline world. The Internet is an important information source for travel planning. A recent study showed that more than half (52 percent) of respondents changed their travel plans after researching their trip using social media. A heady 85 percent of travelers use their smartphones whilst abroad, and 52 percent of Facebook users said that their friends' holiday photos had inspired their vacation choice."

The SCoC&TB will aggressively utilize social media and video to enhance brand awareness, and integrate into all marketing efforts including, but not limited to:

- Facebook
- Twitter
- Instagram
- Pinterest
- YouTube

Outcome

1. Increase Facebook fans by 15% (from 42,500 to 50,000)
2. Increase Twitter followers by 10% (from 5,600 to 5,750)
3. Increase Pinterest photo postings by 10% (from 450 to 550)
4. Implement different hashtags for user-generated content and track usage
5. Implement contests to engage users

Tactic 6 – User Generated Content & Community Forums

While on vacation, people tend to be more active on social networks. However, the content they create & share during this time is different to the content they normally post. Photos and videos of holiday locations, activities & events find their way to Facebook, Pinterest, Twitter & YouTube more readily. These social media platforms are also a place where vacationers share exactly what they're doing with friends and family back home.

Vacationers like to share their experiences on social media and in community forums. Capturing and sharing user-generated content and video is an innovative way to use our customers to spread the word about Sedona. Through user generated content, we will use content, video and contests to generate buzz. If we can encourage people to share their entries on social media, the impact on inbound traffic is enormous. We will gather user-generated testimonials or reviews and share them on our pages and feature them on our websites. They add credibility when people are considering Sedona as a travel destination and a powerful tool to increase conversion rates. The SCoC& TB will utilize the following user consumer generated forums and will respond to inquiries and comments made in those forums include, but not limited to:

EXHIBIT A

- Trip Advisor
- Urban Spoon
- Yelp
- Fodor's
- TravBuddy
- Lonely Planet

Outcome

1. Increased visibility on community forums and travel sites
2. Generate more eWOM visitation to Sedona

Tactic 7 -- Event Calendar

Provide a robust, one-stop Sedona Event portal that is used by all local residents and visitors alike. Develop, maintain and assist members in submitting to the new online calendar.

Outcome

1. Provide state-of-the-art calendar technology to allow users to sort and find events that encourage them to visit Sedona and stay longer.
2. Engage users with captivating photos or video.
3. Post more events.
4. Focus on events that are user friendly and make the system easy to use.
5. Track member submissions.

Tactic 8 -- Crisis Plan Strategy

Update and revise Sedona's crisis plan for dealing with situations or disasters that cast a negative light on Sedona (either domestically or internationally). The plan will contain a credible and proactive approach.

Outcome

1. To plan, prepare and mitigate for a potential crisis situation

Conclusions and Summary

Sedona, Arizona's tourism product is consistent with all the positive product attributes of today's highly sought-after travel destination – for so many reasons. It is exciting, yet it provides a family atmosphere; it is ideal for the adventure-seeker yet also perfect for those looking for arts, culture, heritage, personal growth and a sense of escape from the ordinary. It has a laid back atmosphere, an ideal climate, it is a must-see place and Sedona's people are friendly and welcoming.

The strategies and tactics put in place for FY15 are designed to increase awareness of Sedona as a destination, to build visits at times when tourism business is needed and heighten the sense of excitement in general over Sedona as one of world's most beautiful destinations -- perhaps The Most Beautiful Place on Earth.

EXHIBIT A

2014-15 Destination Marketing Plan

**Sedona Chamber of Commerce &
Tourism Bureau**

Program of Work

EXHIBIT A **Program of Work: Destination Marketing & Sales** **July 2014 - June 2015**

	July	August	September	October	November	December	January	February	March	April	May	June
Print	Phoenix Visitor Guide (co-see with AOT) Annual Publication											
	Scottsdale Visitor Guide (co-see with AOT) Annual Publication											
	Arizona State Visitor Guide Annual Publication											
	Catalina Traveler Magazine (AOT's Catalina Guide) Annual Publication											
Internet	AZ Trade Guide											
	Sunset Magazine											
	Arizona Wine Lifestyle											
	AZ Republic Co-op											
Broadcast	Local TV Channels											
	Phoenix Billboards											
	Airport Banners											
	1-48 Billboards											
Outdoor Display	Cable TV Phoenix											
	Phoenix Billboards											
	Airport Banners											
	1-48 Billboards											
Direct Marketing	Internet-based Email											
	Consumer e-Newsletter											
	Catalina e-Newsletter											
	Grand Canyon Lead Mailing											
Regional Programs	Regional Traveler Magazine											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
Group Sales	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
Research/Education/Training	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
Collateral Distribution	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											
	U.S. Domestic & International Travel Trade Industry Sales & Marketing Support											

*italicized items indicate tentative timing

EXHIBIT A

Program of Work: Public Relations & Social Media

July 2014 - June 2015

	July	August	September	October	November	December	January	February	March	April	May	June
Themes	Summer Escape/Family Travel	Summer Escape/Family Travel	Art & Harvest	Art & Harvest	Making Memories in Sedona	Making Memories in Sedona	Renewal and Well- being	Renewal and Well- being	Outdoor Adventure	Outdoor Adventure	Culinary & Wine Escapes	Culinary & Wine Escapes
Sedona Events	4th of July Laser Light, Day of the Cowboy	Hummingbird Festival	Fiesta del Tlaco, Sedona WineFest	Plen Air Festival Updown Trick or Treat, Art Fest	Festival of Trees, Taste of the VV, Dia de Los Muertos	Holiday Central Festival of Lights Tree Lighting	Sedona Marathon Event	Film Festival, Yoga Festival	St. Patrick's Day Parade, Celebration of Spring	VV Birding and Nature Festival, Open Studios	Cinco de Mayo, SFSF Shorts, Bike MS, Illuminate Film Fest	Sedona Taste Bluegrass Fest Sedona Photo Festival
1st Friday Gallery Tour												
AZ Events	Prescott Frontier Days Oldest Rodeo	Coconino County Fair	AZ Restaurant Week	Woman's Ultimate Expo	Ford Iron Man Triathlon	Celebrity Golf Invitational Phoenix Polar Express- Grand Canyon RR	Fiesta Bowl, Run to Remember, BCS Title Game, PFC Marathon, Barrett Jack, Scottsdale Arts Expo, Havasut Hot Air Balloon Festival	WM Phoenix Open, AZ Renaissance Festival	West of Western Culinary Festival, Arizona Beer Festival, Spring Training	Scottsdale Fine Art Expo, Glendale Jazz & Blues Festival, Phx Gay pride Fest, Warrior Dash, Women's Ultimate Expo	AZ Highways Travel Show, Awesome Arizona Motorcycle Tour	National Trails Day
Key Words/ Phrases	Fun, Sun, Biking, Hiking, Swimming	Spending Time with Family, Creating Traditions, Reunions	Musik, Entertainment	Culture, Creativity, Stunning Scenery	Engagements, Wedding Plans, Anniversaries	Holiday Events, Festivities, Celebrations, Destination Weddings	Fitness, Rejuvenate, Spirit	Spa, Health	Awaken the Senses, Spring Filing, Hiking, Adventure	Moonlight, Hiking, Camping, Explore, Adventure	Romance, Wedding, Honeymoon, 101 Smile Campaign	Romance, Wedding, Honeymoon, 101 Smile Campaign
Target Markets	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan	CA, AZ, NV, NY, TX, IL, CO, UK, Europe, Canada, Japan
Target Publications	Travel + Escape, Chicago Magazine, San Diego Tribune, LA Times, Wine Spectator	Conde Nast Traveler, Spa Magazine, US Airways, Southwest Travel In-Flight	Elite Wine, Food & Travel, Wine Access, Art America, Arts Journal, Delta Sky	Wine Enthusiast, Cowboys & Indians, Phoenix Magazine	Brides, US Airways, Natl. Geo Traveler, Romantic Traveler	Phoenix Brides, Vacations Magazine, Road & Travel	Healthy Living, Men's Journal, Women's Magazine, Trail Runner, Men's Health, Shape, AZ Highways, Spa Life	American Spa, Women's Magazine, Trail Runner, Men's Health, Shape, AZ Highways, Spa Life	Backpacker, Outside, Nat. Geo Traveler, Canadian Geographic	Backpacker, Outside, Nat. Geo Traveler, Canadian Geographic	Bon Appetite, Southwest Travel, Jet Magazine, Sunset	Esquire, Food & Wine, San Diego Family, Town & Country
Target Publication Topics	Travel, Leisure, Lifestyle, Summer, Family Fun, Deals & Discounts	Travel, Leisure, Lifestyle, Summer Deals & Discounts	Travel, Leisure, Lifestyle, Arts & Culture, Food & Wine	Travel, Leisure, Lifestyle, Art, Culture, Food & Wine	Travel, Leisure, Lifestyle, Art, Culture, Holiday Travel	Travel, Leisure, Lifestyle, Art, Culture, Holiday Travel	Travel, Leisure, Lifestyle, Women's, Fitness, Spiritual	Travel, Leisure, Lifestyle, Women's, Fitness, Spiritual	Travel, Leisure, Lifestyle, Adventure Including Biking, Mountain Climbing, Hiking, Rafting	Travel, Leisure, Lifestyle, Wine & Culinary, Arts & Culture	Travel, Leisure, Lifestyle, Wine & Culinary, Arts & Culture	Travel, Leisure, Lifestyle, Wine & Culinary, Arts & Culture
Story Ideas	Value & Deals, Summer Specials, Family Adventure, Western Theme	Escape the Heat, Family Staycations, Family Reunions	Wine Harvest, Friend Getaways, Fall Colors	Arts & Crafts, Wine Tastings, Four Seasons	Spirit of the Holidays, Gift Ideas, Anniversary, Honeymoon, Wedding, Engagement	Holiday Deals, Tying the Knot, Holiday Events	Spas, Yoga, Meditation, New Year Resolutions	Run in the Red Rocks, Griffind Getaway's, Personal Rejuvenation	Man-cations, Hiking, Biking, Desert in Bloom	Spring Break, Outdoor Recreation, Sightseeing, Attractions	Arts & Architecture, Luxury Living, Wine & Dine, Wineries & Vineyards	World Class Dining, Beer & Wine Tasting, Sedona Style
Media Events		Vancouver Marketplace			Arizona Media Marketplace		LA Media Marketplace	San Fran Marketplace	Chicago Marketplace, WACVB	JPW 2015		
High Impact Insertions	Conde Nast, Travel & Leisure, NY Times, Denver Post, Chicago Tribune, AZ Republic, San Diego Union Tribune, Lux. Travel Advisor, Natl. Geo, Backpacker, BH & Garden, Midwest Living, Phoenix Magazine, USA Today, Houston Chronicle, American Style, Outside Magazine, Trailblazer Magazine, AZ Foothills, Spa Magazine, True West, Pittsburgh Post, Architectural Digest, Pathfinders Travel, Texas Monthly, Westways, Dallas Morning News, Sunset, Wine Connoisseur, Organic Spa Magazine, LA Times, Phoenix Magazine, LV Journal, USA Travel Magazine, Real Simple, Westways, Chicago Sun Times, Los Angeles Daily News, Food & Wine, Cooking, Chicago Tribune, Washington Post SW Art, Dallas Morning News, Smithsonian, Wall Street Journal, GO, Jetset, Hemispheres, Elite Traveler, AZ Highways											

EXHIBIT A

Program of Work: Social Media Plan July 2014 - June 2015				
Month	Tool	Theme	Strategic Purpose	Engagement Outcomes
July	Facebook, Twitter, Blog, Instagram, Pinterest	Summer Escape/Family Travel	101 Reasons "Sedona makes me Smile" campaign. Promote deals/discounts.	Increase traffic to Deals and Discounts page on VisitSedona.com. Conduct contest with family photos to enter to win activities in Sedona
August	Facebook, Twitter, Blog, Instagram, Pinterest	Summer Escape/Family Travel	101 Reasons "Sedona makes me Smile" campaign. Promote deals/discounts.	Increase traffic to Deals and Discounts page on VisitSedona.com. Conduct contest with family photos to enter to win activities in Sedona.
September	Facebook, Twitter, Blog, Instagram, Pinterest	Art & Harvest	Feature weekly artist or art gallery, promote 1st Friday Gallery Tour, contest for tickets to upcoming events	Increase traffic to Fall Deals & Discounts page on VisitSedona.com. Increase number of photos in our gallery.
October	Facebook, Twitter, Blog, Instagram, Pinterest	Art & Harvest	Feature weekly artist or art gallery, promote 1st Friday Gallery Tour, contest for tickets to upcoming events.	Increase traffic to Fall Deals & Discounts page on VisitSedona.com. Increase number of photos in our gallery.
November	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Making Memories in Sedona	Make your Next Memory in Sedona: Celebrations, weddings, anniversaries, reunion, birthdays-make it special by celebrating in Sedona, Best Memory in Sedona contests.	Increase visitation to VisitSedona.com. Encourage fan interaction and discussion about their favorite Sedona moments and events.
December	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Making Memories in Sedona	Make your Next Memory in Sedona: Celebrations, weddings, anniversaries, reunion, birthdays-make it special by celebrating in Sedona, Best Memory in Sedona contests.	Increase visitation to VisitSedona.com. Encourage fan interaction and discussion about their favorite Sedona moments and events.
January	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Renewal and Wellness	Updates about Sedona, Events, Focus on Spa Treatments/Rejuvenation, New Years Resolution.	Increase visitation to VisitSedona.com and generate more fan interaction, possible contest for writers, promote Sedona Marathon Event
February	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Renewal and Wellness	Updates about Sedona, Events, Focus on Spa Treatments/Rejuvenation, New Years Resolution.	Increase visitation to VisitSedona.com and generate more fan interaction, possible contest for writers, promote Sedona Marathon Event
March	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Outdoor Adventure	Post photos and increase conversation about trip planning for the spring, outdoor recreation, things to do, what to explore in Sedona.	Increase visitation to VisitSedona.com, possible photo contest for outdoor adventure activities.
April	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Outdoor Adventure	Post photos and increase conversation about trip planning for the spring, outdoor recreation, things to do, what to explore in Sedona.	Increase visitation to VisitSedona.com, possible photo contest for outdoor adventure activities.
May	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Culinary & Wine Escapes	Promote events in Sedona, wineries, culinary programs, unique/favorite recipes.	Increase visitation to VisitSedona.com, possible contest for best recipes.
June	Facebook, Twitter, Blog, Instagram, Google+, Pinterest	Culinary & Wine Escapes	Promote events in Sedona, wineries, culinary programs, unique/favorite recipes.	Increase visitation to VisitSedona.com, possible contest for best recipes.
<p>Ongoing: Increase awareness of the Official Visitor Center, provide constant reminders of location, updates and photos of the volunteers. Consider weekly "tips" from a featured volunteer titled "Stop by the Center". A campaign to receive special tips and advice from a featured volunteer. Generate conversation about Sedona and drive traffic to VisitSedona, also increase visitor walk-in's at the Visitor Center.</p> <p>Goals: 200 new LIKES and a Viral Reach of 150,000 per month on VisitSedona FB.</p>				

EXHIBIT A

Program of Work: Visitor Services July 2014 - June 2015												
	July	August	September	November	October	December	January	February	March	April	May	June
Customer & Volunteer Services		Training Breakfast		Training Breakfast	Adopt a Highway Clean-up	Training Breakfast		Training Breakfast		Training Breakfast	Adopt a Highway Clean-up	Training Breakfast
	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection	Data Collection
	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter	Volunteer Newsletter
	New Volunteer Training	Volunteer Refresher Training	New Volunteer Training	Volunteer Refresher Training	New Volunteer Training	Volunteer Refresher Training	New Volunteer Training	Volunteer Refresher Training	New Volunteer Training	Volunteer Refresher Training	New Volunteer Training	Volunteer Refresher Training / Customer Service Seminar
Business Exposure	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections	Business FAMs & Site Inspections
	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution	Collateral distribution
Advocacy	USFS Meeting			USFS Meeting			USFS Meeting			USFS Meeting		
		Timeshare Taskforce Committee			Timeshare Taskforce Committee			Timeshare Taskforce Committee			Timeshare Taskforce Committee	



SEDONA VISITOR SURVEY EXECUTIVE SUMMARY

JANUARY 2014 REPORT

The information contained in this report is based on interviews conducted with individuals who requested the Chamber's Newsletter between July and September 2013. All of the interviewing on this project was conducted by the Sedona Chamber of Commerce via a web-based survey which was sent to requesters a minimum of three months after their E Newsletter request. For the purpose of this research, only the 349 respondents (59%) who indicated they had visited Sedona or the 239 (41%) who indicated they would visit Sedona in the next 12 months are included in the following summary data.

EXHIBIT A

VISITOR CHARACTERISTICS

- M The typical visitor is 57 years old with 77 percent being 50 or older.
- M Geographically, 40 percent of all visitors came from the west, while 18 percent came from the south, 18 percent the midwest and 14 percent the northeast. Ten percent of visitors were from outside the U.S.
- M The typical visitor earns \$91,800 per year – well above the national household income average of approximately \$50,000.

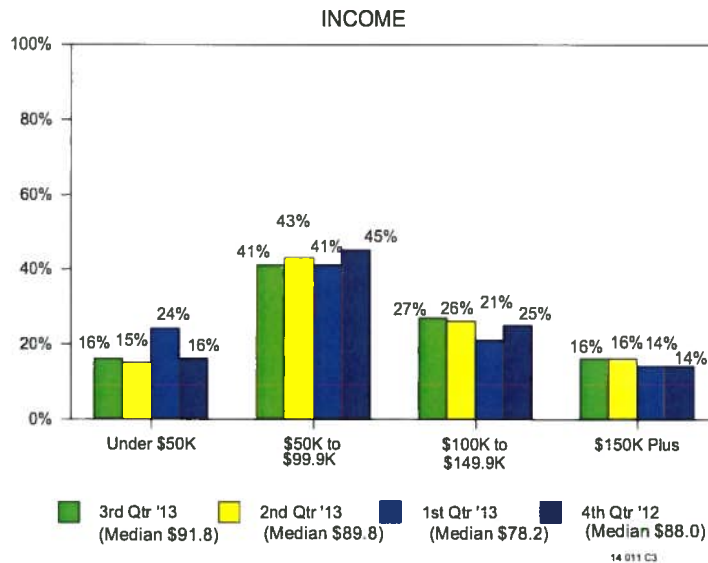
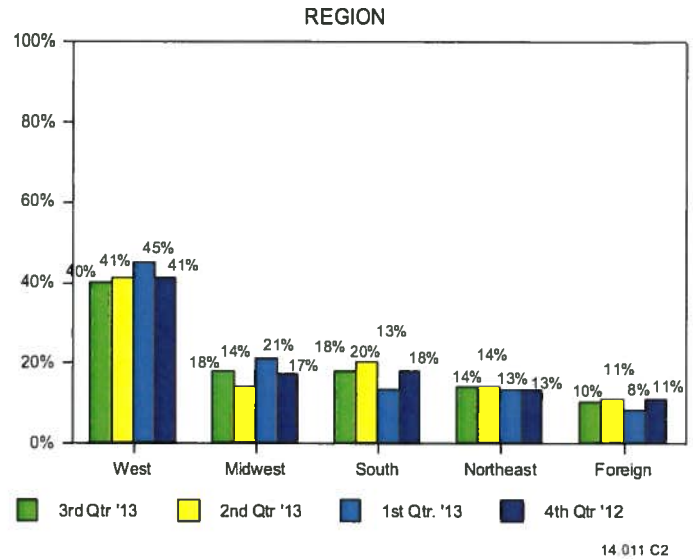
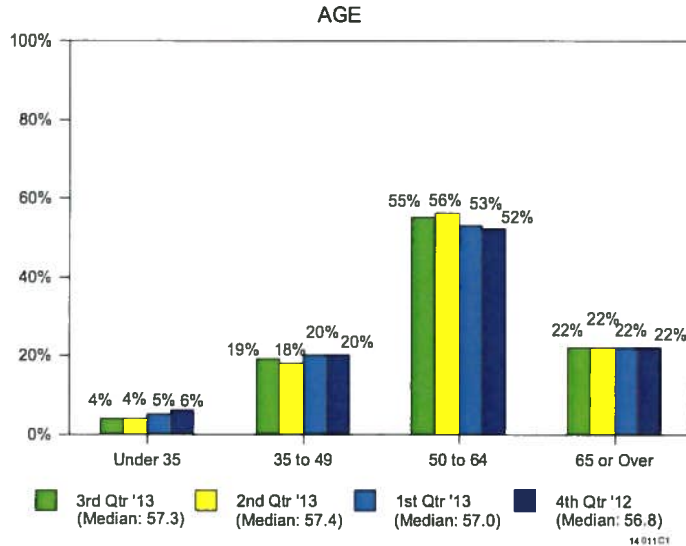


EXHIBIT A

VISITOR TRIP CHARACTERISTICS

- M The typical visitor to Sedona spent 3.5 days with 36 percent staying five or more days. Day-trippers comprise one in five surveyed visitors (22%).
- M Sixty-four percent of travel parties contained one or two people with 57 percent of all parties containing two individuals.
- M Fifty percent of visitors stayed at a hotel (30% full service) while 29 percent stayed in a timeshare.
- M Seventy-nine percent of visitors arrived in Sedona via personal car (33%) or rental car (46%) and 15 percent arrived by plane. The remaining six percent of visitors arrived by some other mode of surface transportation (RV, tour bus, motorcycle, shuttle).

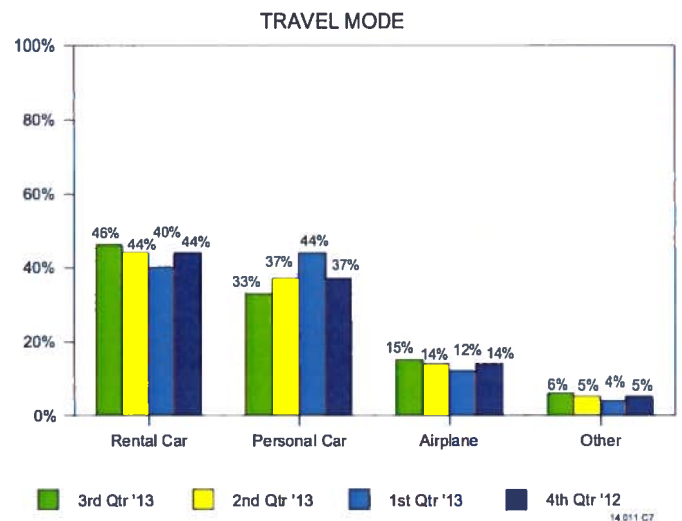
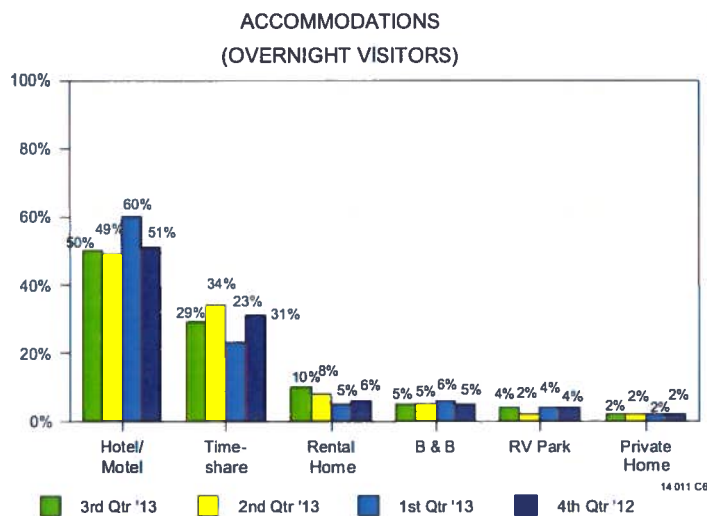
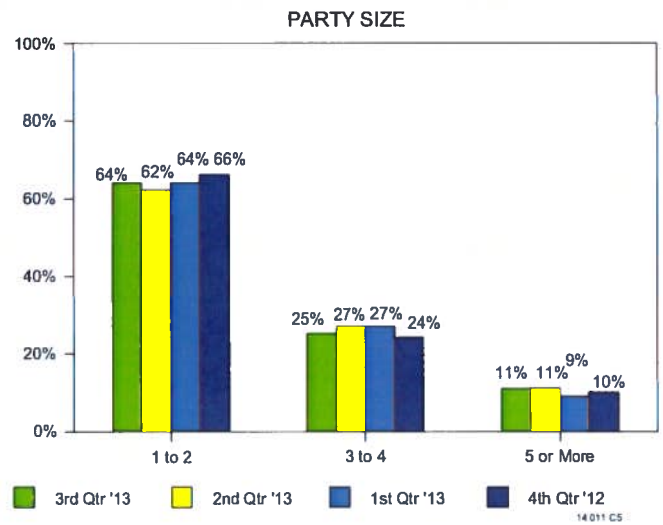
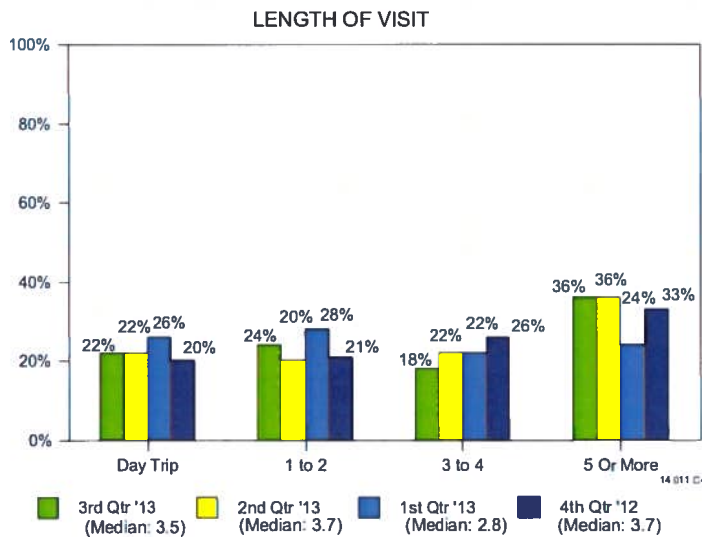


EXHIBIT A

- M Nine out of ten visitors (92%) indicate they are leisure travelers.
- M The heaviest travel months are May (27%) and June (23%).
- M Sixty percent of all travel parties contained persons between 50 and 64 years old, while 26 percent contained persons 35 to 49.
- M Sedona is the primary destination of 58 percent of visitors.
- M Among the other areas visitors traveled to during their visit to Sedona were the Grand Canyon (57%), Jerome (42%), Flagstaff (41%), Cottonwood (26%) and Camp Verde (15%).

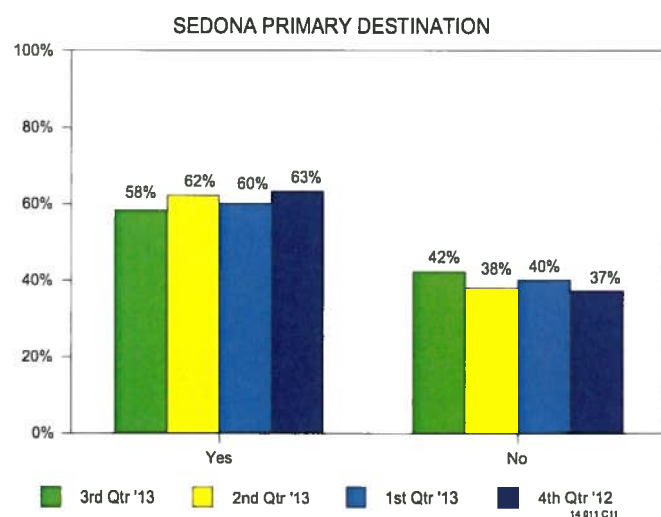
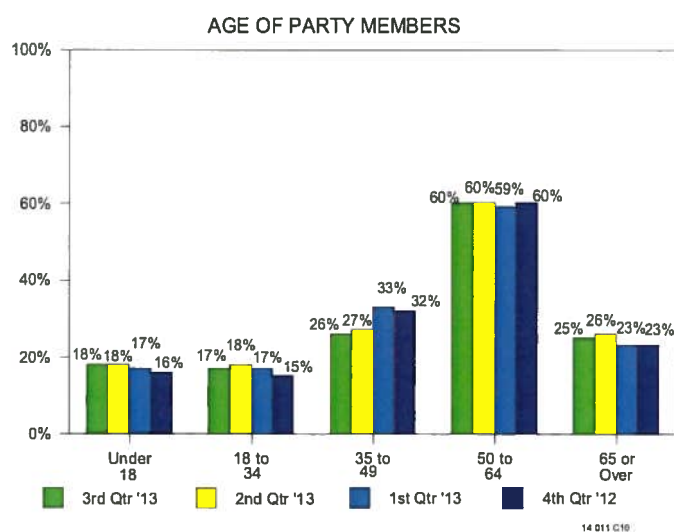
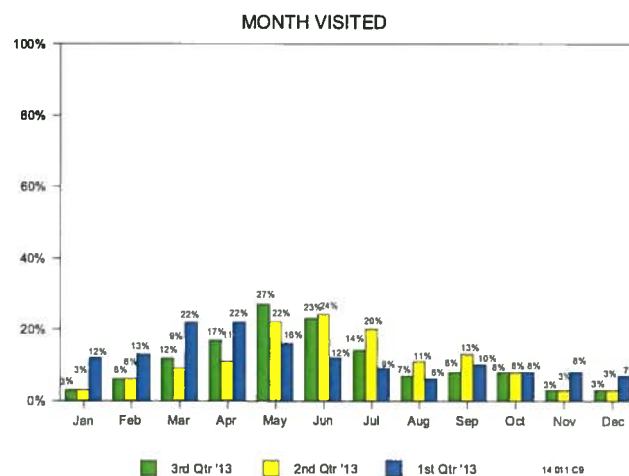
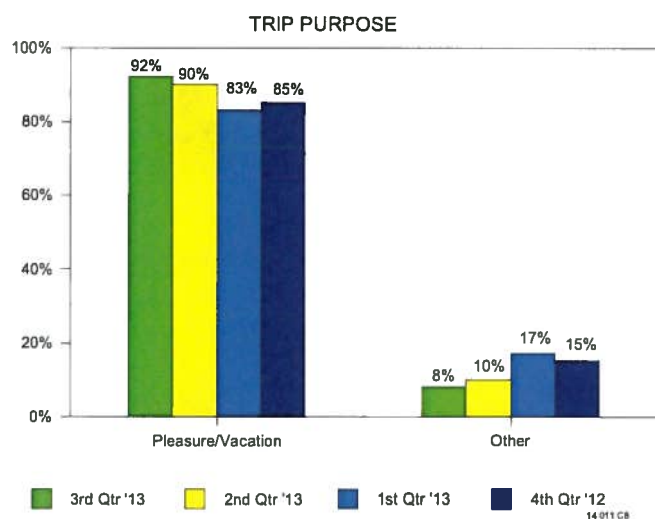
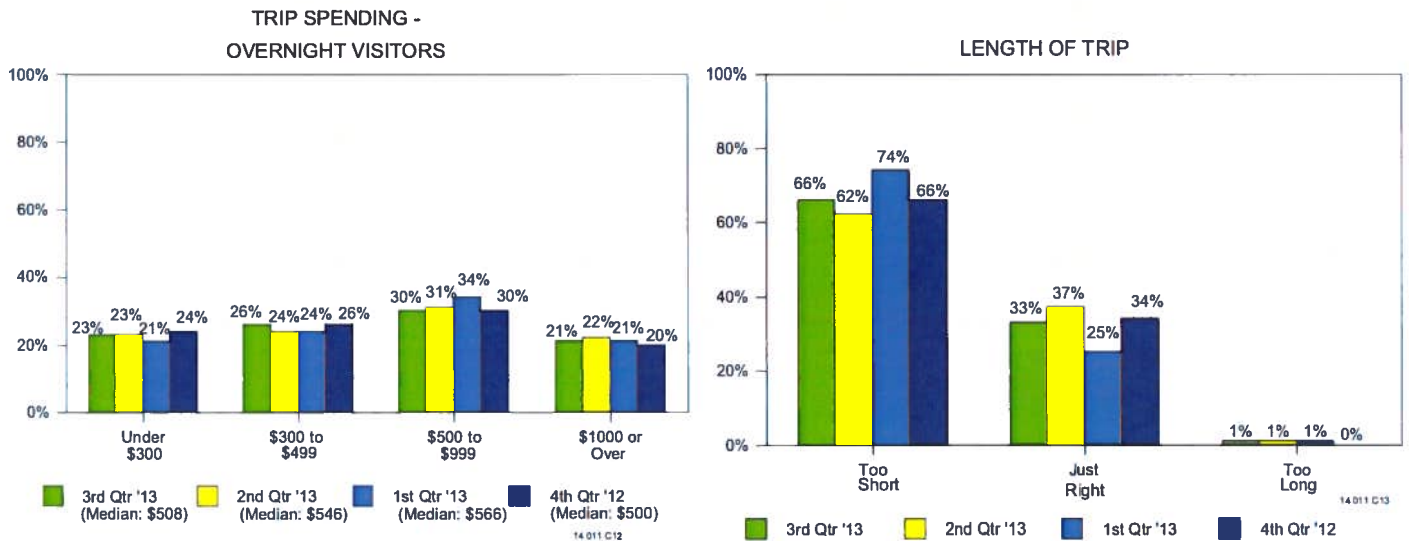


EXHIBIT A

M The typical overnight visitor party spent \$508 per day while in Sedona, while the typical day tripper spent \$275.

M Two out of three visitors (66%) say their length of stay in Sedona was too short.



M Word of mouth continues to be the most common way visitors hear about Sedona (75%) followed by the Internet (33%).

M Sixty-nine percent of visitors used the VisitSedona website prior to their visit, while 45 percent contacted the Chamber and 46 percent visited the Visitor Center when in town.

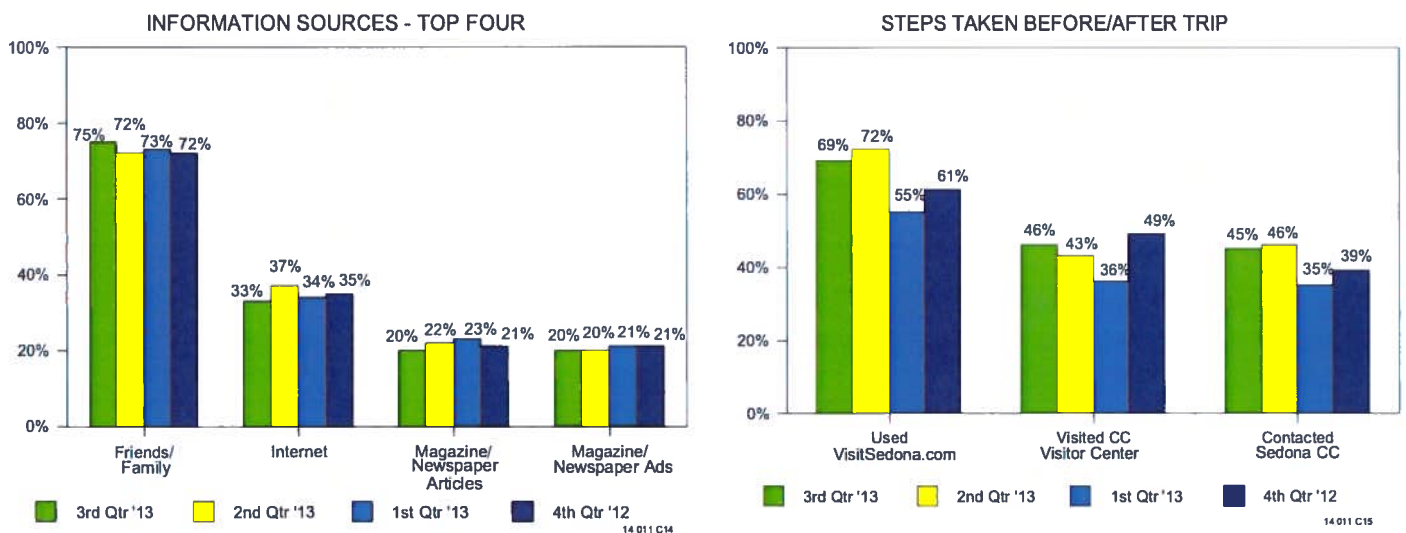
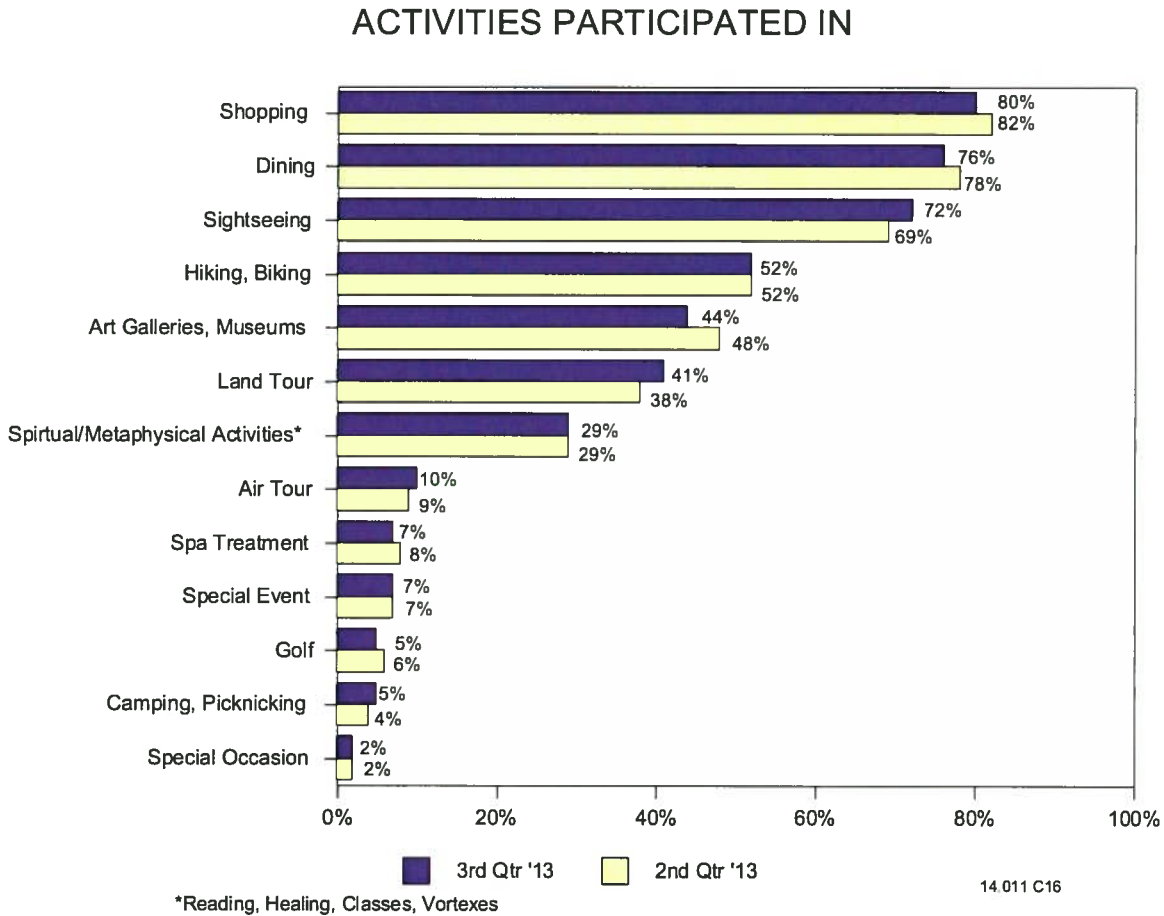


EXHIBIT A

- M The most frequently participated in activities continue to be shopping (80%), dining (76%), sightseeing (72%) and hiking/biking (52%).



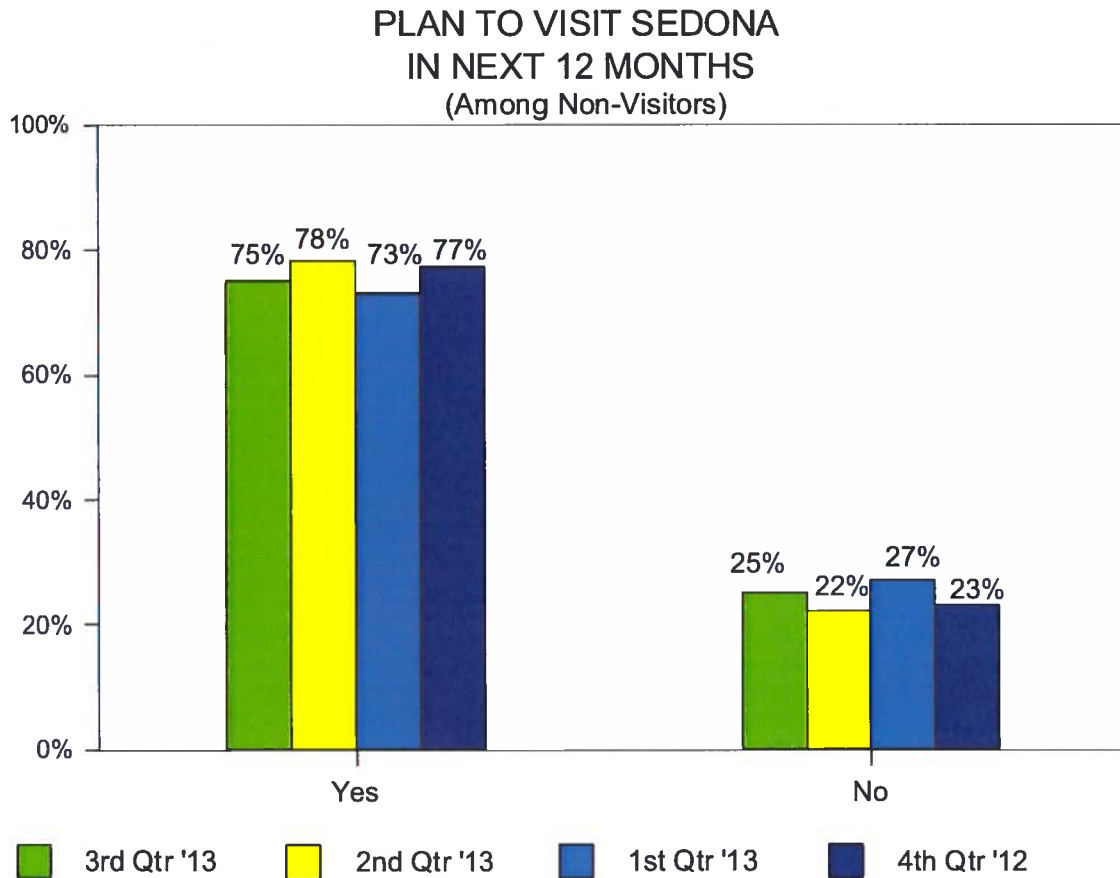
- M By far and away, the number one thing that visitors like about Sedona is the natural beauty of the area.

- M The top things that visitors dislike about Sedona are the congestion (traffic, crowds), lack of parking, high prices and the feeling that it is becoming too touristy.

EXHIBIT A

AMONG NON-VISITORS

- M Seventy-five percent of respondents who indicated they had not visited Sedona in the past indicate they will do so in the next 12 months.
- M The main reasons for not planning to visit Sedona in the next 12 months are money and time.



AMONG NON-VISITORS WHO PLAN TO VISIT IN NEXT 12 MONTHS

- M The typical planned visitor is 55 years old with 75 percent being 50 or older. These figures are very close to the visitor readings.
- M Geographically, 18 percent of all planned visitors come from the west, while 21 percent come from the midwest, 23 percent the south and 21 percent the northeast. Seventeen percent of planned visitors are from outside the U.S.
- M The typical planned visitor to Sedona will spend 4.4 days with 42 percent staying five or more days. Daytrippers comprise only about four percent of planned visitors.
- M Sixty-two percent of planned visitors plan to stay at a hotel (46% full service).
- M The typical planned visitor has an annual income of \$88,300. This figure is in line with the previous studies.

EXHIBIT A

- M Nearly two-thirds of planned visitors (61%) plan to arrive in Sedona via rental car while 26 percent plan to arrive in a personal car.
- M Nine out of ten planned visitors (91%) indicate they are leisure travelers.
- M The heaviest travel months for planned visitors are September (30%) and October (31%).
- M Sixty-one percent of all planned visitor travel parties will contain persons between 50 and 64 years old.
- M Sedona will be the primary destination of 70 percent of planned visitors.
- M The Grand Canyon (75%) is by far and away the most frequently mentioned other area planned visitors will travel to during their visit to Sedona.
- M Word of mouth is the most common way (69%) planned visitors hear about Sedona.
- M Ninety-seven percent of planned visitors will use the VisitSedona website prior to their visit.
- M The most frequent activities planned visitors plan on participating in are sightseeing (85%), shopping (75%), dining (73%), land tours (55%), art galleries/museums (55%) and hiking/ biking (54%).
- M Fifty-seven percent of planned visitors indicate they are willing to take a shuttle.

**FY2014-2015
Program of Work
Performance Standards**

Marketing

1. Generate no less than a total of 20,000 inquiries from high demographic customers in Domestic and International markets.
2. Generate a minimum of 1,000,000 unique visitors to the Sedona website.
3. Generate 150 million overall impressions for Sedona.
4. Generate \$250,000 in partnership cooperative revenue.

Communications

1. Generate 500 travel articles about Sedona.
2. Reach a minimum of 50 million readers/viewers through editorial placement.
3. Generate publicity with an equivalent advertising value of at least \$10 million.

Group / Meeting Sales

1. Generate 130 group sales leads for Sedona properties.
2. Conduct 20 customer site inspections for Sedona properties.
3. Confirm 35 group bookings for future dates.
4. Confirm group bookings for future dates resulting in 2500 room nights.
5. Produce and distribute 2,500 Sedona Event Planner Guide.

Travel Industry Sales

1. Generate 70 domestic and international hotel leads and service request leads.
2. Promote Sedona as one of the world's top leisure destinations to 2700 targeted clients through quarterly e-newsletter communications, trade shows and sales missions.
3. Produce 750 service request referrals for Sedona businesses.

Visitor Services

1. Manage the Uptown Visitor Center 7 days a week, 57 hours per week (excluding three holidays) with professional staff and trained volunteers.
2. Manage and assist 300,000 walk-in visitors.
3. Manage and assist 7500 visitor inquiries via phone, email, post and through travel related sites.
4. Produce and distribute 225,000 Sedona Destination Guides.

Contract Budget
Sedona Chamber of Commerce Tourism Bureau

Exhibit C

				FY 2015 Budget July 2014- June 2015	% Change Over (Under) 2013 Actuals	2015 Budget by Class			
						Admin	Member	Tourism	Visitor Center
1	Ordinary Revenue/Expense								
2	Revenue:								
3	City of Sedona			\$ 1,248,500	116			\$ 925,000	\$ 323,500
4	Banner Advertising			\$ 81,500	107		\$ 1,500	\$ 80,000	\$ -
5	Co-op Ads/Promotion/Tradeshaw			\$ 55,000	34	\$ -	\$ -	\$ 55,000	\$ -
6	Total Membership Revenue			\$ 296,100	3	\$ -	\$291,850	\$ 4,250	\$ -
7	Tourism Bureau Revenue			\$ 129,500	5	\$ -	\$ -	\$ 129,500	\$ -
8	Total Event Revenue			\$ 63,200	-34	\$ 31,000	\$ 21,200	\$ 11,000	\$ -
9	Total Royalty Revenue			\$ 40,500	44	\$ -	\$ -	\$ 40,500	\$ -
10	Total Sales Revenue			\$ 153,000	-8	\$ -	\$ -	\$ -	\$ 153,000
11	Total Other Revenue			\$ 8,750	4	\$ 100	\$ -	\$ -	\$ 8,650
12	Total Revenue			\$ 2,077,550	51	\$ 31,100	\$314,550	\$ 1,245,250	\$ 486,650
13	Total Cost of Goods Sold			\$ 141,800	-14	\$ 1,000	\$ 15,300	\$ 11,000	\$ 114,500
14	Gross Revenue			\$ 1,935,750	60	\$ 30,100	\$299,250	\$ 1,234,250	\$ 372,150
15	Expenses:			\$ -					
16	Advertising/Marketing:			\$ -					
17	Advertising/Promotion/Marketing			\$ 275,000	217	\$ -	\$ 25,000	\$ 253,000	\$ 5,000
18	Internet Support & Marketing			\$ 226,000	292		\$ 32,000	\$ 180,000	\$ 6,000
19	Marketing Collateral			\$ 27,000	400		\$ 2,000	\$ 23,000	\$ 2,000
20	Media & Communications			\$ 82,000	135		\$ 1,000	\$ 81,000	
21	Research			\$ 19,000	67	\$ -		\$ 19,000	
22	Trade Shows & Sales Missions			\$ 53,500	40			\$ 53,500	
23	Product Development			\$ 50,000				\$ 50,000	
24	Meetings/Sales			\$ 61,000	-9			\$ 61,000	
25	Regional Programs			\$ 10,000	-1			\$ 10,000	
26	Travel, Lodging & Meals			\$ 6,500	-47		\$ 2,000	\$ 2,500	\$ 2,000
27	Postage & Delivery			\$ 32,700	58	\$ 700	\$ 1,300	\$ 30,000	\$ 700
28	Dues & Subscriptions			\$ 7,500	0	\$ 100	\$ 1,000	\$ 6,000	\$ 400
29	Total Advertising/Marketing			\$ 842,700	138	\$ 700	\$ 63,300	\$ 763,000	\$ 15,700
30	Total Board Expenses			\$ 6,000	113	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
31	Building & Grounds Maintenance			\$ 16,000	-8	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
32	Commercial Liability Insurance			\$ 2,700	20	\$ 675	\$ 675	\$ 675	\$ 675
33	Community Relations			\$ 5,500	22	\$ -	\$ 3,000	\$ 2,000	\$ 500
34	Computer/Technology			\$ 36,000	-35		\$ 10,000	\$ 19,000	\$ 7,000
35	Credit Card/Bank Charges			\$ 6,370	-36	\$ -		\$ 2,400	\$ 3,970
36	Education & Training			\$ 10,500	55	\$ 1,500	\$ 2,500	\$ 5,500	\$ 1,000
37	Total Equipment Repair & Lease			\$ 14,000		\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,000
38	Furniture /Fixtures			\$ 1,200	97	\$ 300	\$ 300	\$ 300	\$ 300
39	Membership Services			\$ 9,000	189	\$ 500	\$ 6,000	\$ 2,500	
40	Mortgage Payments - Adm. Bldg Interest			\$ 16,800	2	\$ 16,800			
41	Mortgage Payments - Adm. Bldg Principle			\$ 13,400		\$ 13,400			
42	Mortgage Payments - VC Bldg Interest			\$ 14,100	-26				\$ 14,100
43	Mortgage Payments - VC Bldg Principle			\$ 11,500					\$ 11,500
44	Total Professional Fees			\$ 72,520		\$ 18,505	\$ 18,255	\$ 18,255	\$ 17,505
45	Property Tax			\$ 6,200	-33	\$ 3,000			\$ 3,200
46	Total Salaries & Employee Benefits			\$ 698,417	27	\$ 55,800	\$120,460	\$ 227,032	\$ 295,125
47	Staff Development			\$ 6,000	2	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
48	Storage & Handling			\$ 6,500	-6				\$ 6,500
49	Supplies			\$ 18,000	-10	\$ 1,500	\$ 5,500	\$ 5,500	\$ 5,500
50	Phone, DSL, T1, Internet, Long distance, cell			\$ 27,300	2	\$ 6,500	\$ 6,600	\$ 7,400	\$ 6,800
51	Utilities - Gas, Elec., Water, Sewer, Trash			\$ 24,000	3	\$ 3,300	\$ 3,300	\$ 3,300	\$ 14,100
52	Volunteer Recognition & Dev.			\$ 23,500	21	\$ 1,000	\$ 2,500		\$ 20,000
53	Total Expense			\$ 1,878,807	55	\$ 115,810	\$257,920	\$ 1,074,992	\$ 430,085
54	Net Increase (decrease) in unrestricted assets from ops			\$ 56,943	-1949	\$ (85,710)	\$ 41,330	\$ 159,258	\$ (57,935)
55	Cash Flow - Expenditures								
56	Capital Acquisitions			\$ 13,000		\$ 9,500			\$ 3,500
57	Principal Payments-Admin			\$ 13,400	137	\$ 13,400			
58	Principal Payments-VC			\$ 11,500	-26				\$ 11,500
59	Reserve Contribution/Contingency			\$ 15,000		\$ 15,000			
60	Total Cash Flow - Expenditures			\$ 52,900	141	\$ 37,900	\$ -	\$ -	\$ 15,000
61	Net Increase (decrease) in unrestricted assets			\$ 4,043	-352	\$ (123,610)	\$ 41,330	\$ 159,258	\$ (72,935)
62	45% salaries & benefits							\$ 103,970	
63	90% of salaries and benefits								\$ 272,155
64	City Investment							\$ 925,000	\$ 323,500

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CITY COUNCIL AGENDA BILL

AB 2127
June 14, 2016
Regular Business

Agenda Item: 8c

Proposed Action & Subject: Public hearing/discussion/possible action on a resolution approving the transfer of the City cable license to Altice S.A.

Department City Attorney

Time to Present 5 minutes

Total Time for Item 15 minutes

Other Council Meetings None

Exhibits

- A. Suddenlink Cable Letter dated June 3, 2015
- B. Current NPG Cable License (2007)
- C. Federal Communications Commission Form 394
- D. Suddenlink Communications Letter dated July 21, 2015
- E. Resolution

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Approve a resolution concerning the transfer of the City cable license.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: Cequel Communications Holdings, LLC the parent of NPG, LLC dba Suddenlink Communications entered into a purchase and sale agreement with Altice S.A. for Altice to acquire 70% of the issued and outstanding equity interests of Cequel. This will result in the transfer of the current license agreement to the new company. Their corporate counsel has submitted a formal letter dated July 21, 2015 accepting the terms and conditions of the license, together with a transfer fee of \$2,500.

Pursuant to Sedona City Code Section 5.15.060 and related sections of the license, the City published in a local newspaper notice for two consecutive weeks prior the public hearing, which has to be at least 30 days from the initial letter.

The existing cable license agreement, letter of intent from Suddenlink Communications, and FCC Form 394 with related exhibits serve as the application for transfer required by Sedona City Code Section 5.15.120 and have been separately posted on the City website for public review and to assist in submission of any written comments.

Discussion at the hearing will be limited to the compliance with the terms and conditions of the existing agreement. There will not be any revisions or provisions concerning programming and channel lineups and Suddenlink Communications indicated, in a letter to the City dated June 3, 2015, that there are no existing plans to discontinue any existing service or to implement any changes in rates, terms or conditions. The Council approves the transfer by separate resolution.

Community Plan Compliant: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): N/A

MOTION

I move to: approve Resolution 2016-__, a Resolution of the City of Sedona, Arizona approving the change of control of the cable television license.



June 3, 2015

BY OVERNIGHT MAIL

City of Sedona
Attn: Mayor Sandy Moriarty
102 Roadrunner Drive
Sedona, AZ 86335

City Attorney's Office
Sedona, Arizona

JUN 05 2015

RECEIVED

Dear Mayor Moriarty:

We are writing to notify you that Cequel Corporation ("Cequel"), the parent of NPG Cable, LLC d/b/a Suddenlink Communications ("Suddenlink") has entered into a Purchase and Sale Agreement (the "Agreement") with Altice S.A. ("Altice") and the other parties thereto, pursuant to which certain wholly-owned subsidiaries of Altice will acquire 70% of the issued and outstanding equity interests of Cequel (the "Transaction"). We expect the Transaction to close in the fourth quarter of 2015. Suddenlink is the holder of the cable franchise (the "Franchise") under which your community is served.

The Transaction will substitute Cequel's existing equity investors with new equity investors. The proposed change at the investor level will be entirely seamless from the standpoint of consumers. Suddenlink will continue to provide high-quality communications services to customers without interruption, and it has no existing plans to discontinue any existing service or to implement any changes in rates, terms, or conditions as part of the Transaction. Significantly, your community will continue to be served by the same committed local team. The Transaction will benefit the public interest by ensuring that Suddenlink has the resources available to continue delivering high-quality and innovative services to our customers.

If you conclude that your consent to the change of control of the Franchise in connection with the Transaction is required by the terms of the Franchise, we would appreciate your consideration and prompt adoption of the enclosed resolution (for your convenience, a draft Word version of the resolution is available on the enclosed USB drive). Please find attached the Federal Communications Commission Form 394 "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise". The FCC Form 394 with supporting exhibits and documents provides you with the pertinent information about the Transaction and the parties involved. If you conclude your approval is necessary, we ask that you review and adopt the attached model resolution consenting to the foregoing matters at your earliest possible convenience and return a copy to the following address:

June 3, 2015

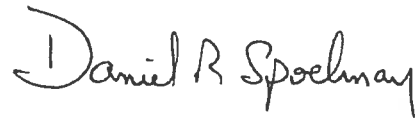
Page 2

Mr. Michael Zarrilli
Suddenlink Communications
520 Maryville Centre Drive, Suite 300
St. Louis, MO 63141

Suddenlink will cooperate fully in responding promptly to any questions that you may have concerning the Transaction and the FCC Form 394. Please feel free to contact me at 928-779-3661 ext. 10910, or by e-mail at dan.spoelman@suddenlink.com or Michael Zarrilli, Vice President Government Relations & Senior Counsel at 314-315-9337, or by e-mail at michael.zarrilli@suddenlink.com with any questions or if you need additional information.

Thank you for your consideration. We greatly appreciate your prompt assistance in this matter, and we look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Daniel R. Spoelman". The signature is written in a cursive style with a large, stylized "D" at the beginning.

Dan Spoelman
Vice President Operations

**2007 Cable License Renewal Agreement
Between the City of Sedona, Arizona
And NPG Cable, Inc.**

This Cable License Agreement is made and entered into by and between the City of Sedona Arizona, (City) a municipal corporation, and NPG Cable, Inc., an Arizona corporation (Licensee).

Recitals

- A. Licensee desires to renew its cable license and City and Licensee desire to enter into this Agreement as a renewal of the Cable Television License Agreement between the City and predecessor corporations of Licensee, originally entered into on October 19, 1992.
- B. The City Council has determined that it is in the best interests of, and consistent with, the health, safety and welfare of the Citizens of the City to grant a renewal license to Licensee to use public rights-of-way for the purposes specified in this License Agreement ("License" or "Agreement") and on the terms and conditions set forth herein.
- C. The City has afforded the public adequate notice and an opportunity for comment on this renewal license.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

Section 1. Definitions.

- A. When used in this Agreement, the following terms shall have the meaning given in this Section. The word "shall" is always mandatory. The word "may" is discretionary
 - 1. "Cable Service" means:
 - a. The one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and
 - b. Subscriber interaction, if any, that is required for the selection or use of such video programming or other programming service.
 - 2. "Cable System" means Licensee's facility located within the City, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service to multiple subscribers within the City.
 - 3. "City" means the City of Sedona, Arizona.
 - 4. "Council" means the governing body of City.
 - 5. "Facilities" means any reception, processing, distribution or transmission component of the Cable System, including cables, conduits, converters, splice boxes, cabinets, manholes, vaults, poles, equipment, drains, surface location markers, appurtenances, and related facilities maintained by Licensee in the Streets.
 - 6. "FCC" means the Federal Communications Commission.

7. "Gross Revenues" means any and all revenues received directly or indirectly by Licensee, its affiliates, subsidiaries, parent company, and any person in which Licensee has a financial interest, in association with the provision of cable television and other services within the City, including but not limited to: monthly fees for basic service, expanded basic and/or digital service, premium channels, high definition services and pay-per-view fees, installation, repair service call and change-in-service fees, late fees, leased channel fees, converter and other equipment rentals, studio and production fees, advertising revenues and revenue from other cable services as allowed by federal or state law; provided, however, that those revenues shall not include any taxes on services furnished by Licensee payable to the State of Arizona or any other governmental unit, including the City, and collected by Licensee on behalf of said governmental unit, including the City but shall include the fee on fee.
8. "License" means the rights granted to Licensee under this Chapter to construct and operate the Cable System and to provide Cable Services.
9. "Licensee" means the corporation or commercial entity operating a Cable System under a license granted pursuant to this Chapter, and its permitted successors.
10. "Normal Business Hours" means those hours during which most similar businesses in the community are open to serve customers.
11. "Normal Operating Conditions" means those service conditions that are within the control of the cable operator.
12. "Person" means any person, firm, partnership, association, corporation, company, or other legal entity.
13. "Street" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any public easement or right-of-way now or later dedicated to the City.
14. "Service Interruption" means the loss of picture or sound on one or more cable channels.
15. "Subscriber" means any Person who lawfully receives or requests Cable Service.

B. In the event the meaning of any word or phrase not defined in this Section is uncertain, the definitions contained in FCC rules and regulations apply.

Section 2. Grant of Authority.

A. Grant of Nonexclusive Authority. Under the authority of ARS § 9-505, City grants to Licensee the right to construct, erect, operate, and maintain, in, upon, along, across, above, over and under the Streets, all Facilities necessary or desirable for the construction, maintenance, and operation of the Cable System. Licensee may operate the Cable System to provide additional Cable Services and non-cable services such as cable modem services, telecommunications services, as permissible under applicable law. Licensee may activate and offer such other services in response to consumer and business demand and marketplace conditions. This License shall be nonexclusive, and City may grant licenses to other Persons. Any additional licenses shall contain the same substantive terms and conditions as this License.

- B. Rules of Licensee. The Licensee shall have the authority to promulgate rules, regulations, terms and conditions governing its business and services as reasonably necessary to enable Licensee to operate its business and perform its obligation under this Chapter.

Section 3. License Term.

- A. The License granted under this Chapter commences upon approval by the Council and acceptance by Licensee and shall continue for 15 years, unless renewed, revoked or terminated sooner.

Section 4. Conditions of Street Occupancy.

- A. Location of Facilities. Licensee shall locate all Facilities so as to minimize interference with the use of the Streets and with the rights and reasonable convenience of adjacent property owners.
- B. Construction Codes and Permits. Licensee shall obtain all necessary permits from City before commencing construction, maintenance, or repair of the Cable System. All construction, maintenance, or repair of the Cable System shall comply with all applicable City codes and permit requirements.
- C. Repair of Streets and Property. Licensee, at its expense, shall promptly restore any Street, public property, or private property damaged by Licensee during the construction, maintenance or repair of the Cable System. This provision does not apply to private property unlawfully constructed within a recorded easement or public right-of-way.
- D. Public Projects. After reasonable prior notice, Licensee, at its expense, shall relocate its Facilities as required by the City due to traffic conditions, public safety, street construction, repairs, relocations, or other public improvements by City.
- E. Building Movement. Upon request of any Person holding a moving permit issued by City and after reasonable prior notice, Licensee shall temporarily move its Facilities to permit the moving of buildings. Licensee may require the requesting Person to pay all costs related to the temporary relocation of Facilities, and may require payment in advance.
- F. Tree Trimming. Licensee may trim any trees in or overhanging the Streets, alleys, sidewalks, or public easements of City as necessary to protect Licensee's Facilities.
- G. Undergrounding of Cable. In all areas of City where all other utility lines are placed underground, Licensee shall construct and install its Facilities underground. In any area of City where one or more public utilities are installed aerially, Licensee may construct and install its Facilities aerially. Where the Licensee is party to an agreement with the City to place certain aerial facilities underground in concert with public utility or other service providers, the Licensee shall be granted the same incentives, relief, assistance, or waivers as are granted to any public utility companies or other service providers who are also parties to the same agreement, or similar agreements, with the city to place portions of their existing aerial facilities underground.
- H. Compliance with Codes. Licensee shall install and maintain its Facilities in compliance with the applicable construction and safety codes in effect at the time of the installation of the applicable Facility, including the National Electrical Safety Code and the National Electrical Code.

- I. Noncompliance with Conditions for Street Occupancy. City may correct noncompliance related to conditions for street occupancy under this Section and submit to Licensee an itemized statement for the costs of correction. Licensee shall pay the costs of the correction to City within 30 days of receipt of the itemized statement.
- J. Identification of the Cable System. Licensee shall identify aerial portions of its Cable System and Drops installed after the effective date of this License (such as by color code, stamping, engraving, tags, stickers, or other appropriate method selected by Licensee) so as to allow emergency personnel to distinguish Licensee's cables from that of other cable operators, utilities, and service providers in the City.

All direct buried transmission lines shall be buried at a depth of greater than 3 feet, depending on the terrain, and drop lines buried at a minimum of 9-12". If the city or its agents perform surface work on the roads and right-of-ways, and such work directly, or indirectly through the weight of equipment, damages the Cable System, and it was not at these minimum depths, the cost of repairs, and compensation, if any, to subscribers for loss of service, shall be the responsibility of the Licensee.

Licensee further agrees to abide by Arizona Blue Stake laws as far as locating buried lines.

Portions of the Cable System installed after the effective date of this License that are located in conduit, including conduit of others used by Licensee, shall be marked at their entrance into and exit from each manhole and handhole with Licensee's name and toll-free telephone number to call for assistance.

Section 5. Cable System Operations and Safety.

- A. Technical Standards. Licensee shall operate the Cable System in compliance with all applicable FCC technical standards.
- B. Test Reports and Regulatory Filings. Upon request by City, Licensee shall provide City with copies of: (i) reports of any FCC required test of the Cable System; and (ii) any filings with regulatory authorities related to the operation of the Cable System within the City.
- C. Inspection and Testing.
1. At any time, the City may inspect any Facilities located within the Streets or on public property. Upon reasonable notice and for good cause, City may inspect any Facilities not located in the Streets or on public property.
 2. In case of unresolved complaints or questions concerning compliance with this Chapter, City may require special testing of the Cable System. Before ordering special tests, City shall provide Licensee with notice of City's intent to require special testing. Licensee shall have 30 days following receipt of the notice to investigate and, if necessary, correct the complaints or compliance questions. If Licensee does not resolve to City's reasonable satisfaction the complaints or compliance questions within the 30-day period, the tests shall be conducted at Licensee's expense by a qualified engineer selected by City and Licensee. Licensee shall cooperate in such testing.
- D. As-Built Maps/Location of Facilities. Licensee shall keep accurate, complete and current maps and records of the Cable System and its facilities and shall provide copies to City at no cost as set forth

below.

1. Licensee shall furnish two complete sets of "as-built" paper maps of the Cable System to City within thirty (30) days of the effective date of this license, and Licensee shall provide City copies of any new or revised "as-built" paper drawings as they are generated for all portions of Licensee's Cable System located within City (and in no event later than thirty (30) days after construction (or reconstruction) of any portion of the Cable System within the City). Upon request by City in an emergency, Licensee as soon as possible (but no more than one (1) business day from the request) shall inform City of any changes from such maps and records previously supplied and shall mark up any maps provided by City so as to show the location of the Cable System.
2. The "as built" maps shall accurately show the location of the Cable System not only in a horizontal plane, but for all buried or underground portions of the Cable System shall also accurately show its depth (a) where as of the effective date of this License any paper maps contained such data for existing installations, and (b) in electronic format for portions of the Cable System installed after the effective date of this License.
3. The "as built" maps shall include at a minimum all Cable System and facility routings and shall be drawn to a scale and upon such media as required by the City Manager.
4. For new installations, Licensee shall provide to the City electronic data showing the location and depths of the buried lines, or new overhead systems, using CAD or other software programs compatible for mapping with the City's GIS system. The data shall be as of the time of construction.

E. Abandonment of Facilities. Licensee's property to be abandoned in place shall be abandoned in the manner prescribed by the City. Upon permanent abandonment of any license property in place, Licensee shall deliver to City an instrument transferring to the City ownership of the license property abandoned, for those portions of the property requested by the City. The City shall assume no responsibility for property abandoned by the Licensee unless such property is accepted by the City

Section 6. Cable System Upgrades.

- A. During the term of this License, Licensee shall upgrade the Cable System as required to maintain a technically superior Cable System that incorporates state of the art advancements in technology, services and customer service as compared to similarly situated cable systems in the region. On or before July 31, 2007 Licensee shall upgrade the Cable System to provide all services in a digital format and introduce a package of High Definition programming.

Section 7. Customer Service and System Extension.

- A. Service to Subscribers. Licensee shall provide Cable Services without discrimination to all Persons who request such services and who comply with Licensee's terms and conditions of service. Licensee is not obligated to extend service to residences beyond 300 feet from Licensee's Facilities.
- B. Customer Service Standards. Licensee shall render efficient service, make repairs promptly, and shall

use commercially reasonable efforts to minimize the duration of service interruptions. As of the effective date of this Ordinance, Licensee shall comply with the following customer service standards:

1. Cable system office hours and telephone availability.
2. The cable operator will maintain a local, toll-free or collect call telephone access line that will be available to its subscribers 24 hours a day, seven days a week.
3. Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.
4. After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.
5. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds. These standards shall be met no less than ninety percent of the time under normal operating conditions, measured on a quarterly basis.
6. The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.
7. Under normal operating conditions, the customer will receive a busy signal less than three percent of the time.
8. Customer service center and bill payment locations will be open at least during normal business hours and will be conveniently located.
9. Installations, outages and service calls. Under normal operating conditions, each of the following four standards will be met no less than ninety five percent of the time measured on a quarterly basis:
 - i. Standard installations will be scheduled within seven business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.
 - ii. Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.
 - iii. The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. The operator may schedule service calls and other installation activities outside of normal business hours at the request of the customer.

- iv. If an appointment cannot be made, the Licensee shall contact the customer as soon as practicable and reschedule the appointment at the customer's convenience.

10. Communications between cable operators and cable subscribers.

- i. Refunds. Refund checks will be issued promptly, but no later than either-

- 1. The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
- 2. The return of the equipment supplied by the cable operator if service is terminated.

- ii. Credits. Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

11. Customer Compliant Records and Reporting. Licensee shall maintain records of telephone availability, installation availability, customer complaints, service outages and the resolution, if any, of each complaint and outage. These records shall be available for review by the City upon reasonable prior notice. During the first two calendar years of this License, Licensee shall provide to the City an annual report summarizing the information maintained under this Section. Thereafter, License shall provide the annual report upon request by the City.

12. Changes to Rates and Services. Licensee shall provide the City with sixty (60) days prior notice of any rate changes or deletions in the channels or modifications of the channel lineups being carried on the cable system, and give similar notice to subscribers at least 30 days prior to their effective dates. New services may be added by Licensee without these notice requirements, unless the new service results in changes to existing channels or rate changes.

- C. Extension of Cable System. Licensee shall extend its Facilities to areas of the City with an average 15 residences per additional mile of cable.

Section 8. Service to Public Buildings; Educational and Governmental Access.

- A. Service to Public Buildings and Schools. Licensee, at its cost, shall provide a service drop and basic Cable Service to each City building, police station, fire station, and public and private school passed by the Cable System, with additional service drops to be provided at the cost of labor and material.
- B. Government Access Channel. Licensee shall continue to provide City with one Government Access Channel for use by the City for noncommercial governmental programming throughout the term of the license, which shall include Licensee providing the activated drop or line to City Hall for live broadcasting from there. The City shall control and manage all programming on the Government Access Channel.
- C. Educational Access Channel. Within 12 months of a request by the City, Licensee shall provide the City with one Educational Access Channel for use by City schools, colleges or universities for noncommercial educational programming. Licensee shall also provide one (1) activated drop for live broadcasting of the educational access channel from an educational facility within City limits at the

request of the City at Licensee's cost, subject to the location being within an area served by the Licensee. The City or its designee shall control and manage all programming on the Educational Access Channel. The City's request for the Educational Access Channel shall include the proposed rules and procedures governing the use, control, and management of the channel. Before Licensee activates the channel, City and other interested parties shall cooperate with Licensee to resolve any objections to the proposed rules and procedures for the Educational Access Channel. At City's option, the Educational Access Channel and Government Access Channel may be combined or "shared" such that there is one combined Government and Education Access channel.

- D. Technical Assistance and Grant. Grantee shall provide reasonable assistance as requested by City to assist in resolving technical questions and problems regarding the Government Access Channel and the Educational Access Channel. In addition, Licensee shall make a one-time grant in the amount of Fifteen Thousand (\$15,000) to the City within 60 days of the execution of this renewal License to be used for capital expenses associated with live broadcasting of either the Government Access or Educational Access channels, such as purchase of cameras and editing equipment. The payment shall not be a credit or offset against any of the license fees.
- E. Unused Channel Capacity. Following notice to City, Licensee may program any unused capacity on the Government and Educational Access Channels, as set forth under federal law.

Section 9. City Communications Needs.

- A. Licensee shall provide reasonable assistance and consultation to City in periodically evaluating the City's current communications needs and how capabilities of the Cable System or other technologies may be used to meet those needs.

Section 10. License Fee.

- A. Payments to City. Beginning July 1, 2007 and for each successive year of this License, Licensee shall pay quarterly to City a license fee equal to 5% of Gross Revenues. Licensee shall deliver the payment to City within 30 days of the end of each calendar quarter.
- B. Annual License Fee Report. Within 30 days after the end of each calendar year, Licensee shall file with the City a report showing in reasonable detail Gross Revenues and the calculations of License fees payments in the previous year. An authorized representative of Licensee shall certify the License Fee Report.
- C. License Fee Audit. Following reasonable prior notice, the City may inspect and audit Licensee's applicable books and records to verify License Fee calculations and payments. Upon completion of the audit, the City shall provide Licensee with a report of the audit results. If the audit results show an underpayment, Licensee shall promptly pay City any uncontested amount plus interest at a rate of 12% per annum from the original due date. If Licensee contests any alleged underpayment, within 30 days of receiving the audit results, Licensee shall provide City a notice of objection to the audit results. The notice shall state in reasonable detail the basis for any objections. Following receipt of a notice of objections, representatives of the City and Licensee shall have 60 days to negotiate in good faith a resolution of Licensee's objections. City and Licensee may agree to extend the period for negotiations. If the City and Licensee are unable to negotiate a resolution of Licensee's objections, then the matter shall be referred to an independent CPA selected by City and Licensee. The decision of the independent CPA shall be final and binding. If the independent CPA determines that any

underpayment occurred, Licensee shall pay that amount to the City plus interest of 12% per annum from the original due date. If the independent CPA finds a payment deficiency greater than 5%, exclusive of interest, then Licensee shall pay the costs of independent CPA review. If the independent CPA finds a payment deficiency of 5% or less, exclusive of interest, then City and Licensee shall each pay 50% of the costs of the independent CPA review.

- D. **Bundled Services.** If Licensee offers service packages combining Cable Services and non-Cable Services, Licensee shall notify the City. The notice shall include a proposed method for calculating license fees on such packages. If City objects to the proposed method, it shall notify Licensee within 30 days of receiving Licensee's notice. The notice of objection shall describe in reasonable detail the basis for the objection. If Licensee does not receive a notice of objection within 30 days, the proposed method for calculating license fees shall be deemed approved by City. If City delivers a timely notice of objection, representatives of City and Licensee shall have 60 days from the delivery of the notice to negotiate in good faith a resolution of City's objections. City and Licensee may agree to extend the period for negotiations. If City and Licensee are unable to negotiate a resolution of City's objections, then the matter shall be referred to an independent CPA selected by City and Licensee. The decision of the independent CPA shall be final and binding on the parties. City and Licensee shall each pay 50% of the costs of the independent CPA.

Section 11. Insurance and Indemnification

- A. The licensee shall, at its sole expense, fully indemnify, defend and hold harmless the city and, in their official capacity, its officials, boards, commissions, agents and employees thereof, from and against any and all claims, suits and actions, liability and judgment or damages or otherwise:
- i. For actual or alleged injury to persons or property, including loss of use of property due to an occurrence, whether or not such property is physically destroyed, in any way arising out of or through, or alleged to arise out of or through, the acts or omission of a licensee or its officers, agents or employees, or to which the licensee's officers', agents' or employees' acts or omissions in any way contribute;
 - ii. Arising out of or alleged to arise out of any claim for damages for invasion of the right of privacy, for defamation of any person, firm or corporation, or the violation or infringement of any copyright, trademark, trade name, service mark or patent, or of any other right of any person, firm or corporation in connection with a licensee's operation of the system in the city; and
 - iii. Arising out of or alleged to arise out of the licensee's failure to comply with the provisions of any statute, regulation or ordinance of the United States, the state or any local agency applicable to the licensee in its business.
- B. The city and licensee shall cooperate in the licensee's defense of any litigation. However, nothing herein shall be deemed to prevent the city, so indemnified and held harmless herein, from participating in the defense of any litigation by their own counsel at their sole expense. The city shall give written notice to a licensee of such action. Such participation shall not under any circumstances relieve the licensee from its duty of defending against liability or of paying any judgment entered against such party.
- C. In the event that a licensee does indemnify, defend and hold harmless the city as provided for in this

section or in the license agreement, then the licensee's liability and obligations shall be limited to the actual amount of any damages finally agreed upon by the licensee and the city or by a court of competent jurisdiction, together with reasonable expenses actually arising out of the construction, maintenance or operation of the licensee's system to which the city has been made a party.

- D. The licensee, within 30 days after written notice of the granting of a license, shall provide the city with and maintain in full force throughout the term of the license agreement, insurance issued by a company duly authorized to do business in the state, insuring with respect to the installation, construction, operation and maintenance of the system as follows:
- i. Comprehensive general and automobile liability coverage including, but not limited to, blanket contractual liability, completed operations liability, broad form property damage including but not limited to coverage for explosion, collapse, underground hazard and automobile non-ownership liability. Specific amounts shall be described in the license agreement, but at no time shall this insurance be written in amounts less than the following:
 - a. Comprehensive general liability: \$500,000 combined single limit, bodily injury and property damage;
 - b. Comprehensive automobile liability: \$500,000 combined single limit, bodily injury and property damage;
 - c. Excess umbrella liability, covering all the above-mentioned hazards, in the minimum amount of \$5,000,000.
 - d. Workers' compensation coverage as required by the laws and regulations of the state.
- E. All insurance policies required herein shall include the city as a named insured party, shall be written with deductibles and not retainages, All insurance carriers shall be rated A+ or better by A.M. Best Company. Beginning within one month prior to the eighth year of this license period, the City and Licensee shall review the insurance coverage and policy limits to determine any change or increase in coverage that would reflect increasing or changing costs and risks.
- F. Licensee shall be solely responsible for all premiums due and payable for insurance required herein. At the time of acceptance of the license agreement, licensee shall submit to the city a certificate of insurance, in a form approved by the City Manager, listing city as "additional insured" and confirming that a satisfactory policy is in effect. This policy may be renewed on its anniversary throughout the term of the license agreement. Any cancellations or modifications of coverage shall require 30-days' advance written notice to both the city and the licensee by certified or registered mail, return receipt requested.
- G. Some or all of the provisions of subsection D. of this section may, in the discretion of the city and its written approval in advance, be satisfied by proof of self-insurance.

Section 12. Transfer of License.

Licensee shall not transfer or assign its rights granted under this License without obtaining the prior

consent of City. City shall not unreasonably withhold or delay such consent. Consent of City shall not be required for the following: (i) the assignment of, or the granting of a security interest in, the License or the Cable System for the purpose of securing indebtedness or (ii) the assignment or transfer of the License or the Cable System to an affiliate under common ownership or control with Licensee. For purposes of this Section, a “transfer” shall include a change in control of at least 20% of the ownership interests in Licensee.

Section 13. License Extension and Renewal.

A. Extension. Beyond the term provided in Section 5.16.030, City and Licensee may extend by mutual agreement the term of the License granted under this Chapter, and the existing terms and conditions of this Chapter shall govern the extended term.

B. Renewal. Any renewal of the Licensee’s License shall be done in accordance with Section 546 of the federal Cable Act, 47 USC § 546, and applicable FCC regulations.

Section 14. Noncompliance - Penalties and Revocation.

In case of material noncompliance with any provision of this Chapter, City may terminate the License, impose sanctions, or take other action in accordance with the procedures in this Section.

- A. Notice of complaint. City shall provide Licensee with written notice describing with reasonable specificity the alleged noncompliance.
- B. Opportunity to cure. Licensee shall have 60 days from receipt of written notice to cure the alleged noncompliance. If Licensee cures the alleged noncompliance within the 60-day period, the City shall provide Licensee with written notice withdrawing the complaint.
- C. Public hearing. If Licensee fails to cure the alleged noncompliance within the 60-day cure period, or if Licensee provides City with written notice disputing the complaint, and the parties fail to otherwise resolve the matter, the City shall schedule a public hearing on the alleged noncompliance. At the public hearing, City and Licensee may present testimony, cross-examine witnesses and deliver to Council all evidence relevant to Licensee's defense. At the conclusion of the public hearing, the City Council may dismiss the complaint, defer action, order appropriate sanctions, or terminate the License in accordance with this Section.
- D. Termination. The Council may, after a duly noticed public hearing, terminate the License for material and willful continuing noncompliance by Licensee. Unless there is compliance by the Licensee, termination will be effective 30 days after Council action or within such other reasonable period as the Council may fix. If Licensee contests the termination in a court of competent jurisdiction, Licensee may operate the Cable System in accordance with this License while the case is pending.
- E. Penalties. The Council may, after a duly noticed public hearing, in lieu of termination of the License, assess monetary penalties for material and willful noncompliance by Licensee, not to exceed \$500/day until the noncompliance is cured or otherwise resolved.
- F. Force Majeure. Licensee’s failure to comply with any provision of this Chapter shall not constitute noncompliance when such failure is due to circumstances beyond Licensee’s control, including, without limitation, acts of God, adverse weather, natural or man-made disaster, civil disturbance, war or insurrection, or shortage of supplies, material, or labor.

- G. Removal of Facilities. Upon expiration or termination of the License, Licensee has the right to remove its Facilities within a reasonable time, after such expiration or termination.

Section 15. Confidentiality.

All information of a financial or proprietary nature provided to City for purposes of this License shall be used only for the purposes prescribed by this Chapter and further shall not be published or provided orally or in writing to any Person, entity or agency, except as required by law.

Section 16. Notices.

- A. Notices under this Chapter shall be in writing and shall be deemed given when delivered by hand, certified mail return receipt requested, or overnight courier to the City at the following addresses:

City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
Attn: City Manager

NPG Cable Inc.,
2277 Swanson Ave., Suite B
Lake Havasu City, AZ 86403
Attn: Regional Manager

- B. Licensee will advise City of their contact address and responsible person in the required License Acceptance Letter to be filed with the City Clerk's office with 30 days following Council action authorizing the issuance of a license to Licensee. A party may designate other addresses for providing notice by providing notice in writing of such addresses.

Section 17. Severability.

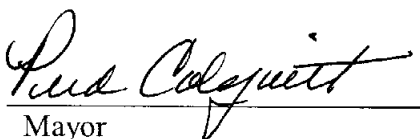
If any provision of this Chapter is held invalid by a court or agency of competent jurisdiction, the provision shall be deemed a separate and independent provision, and the determination of invalidity shall not affect the validity of the remaining provisions of this Chapter.

Section 18. Effective Date and Acceptance

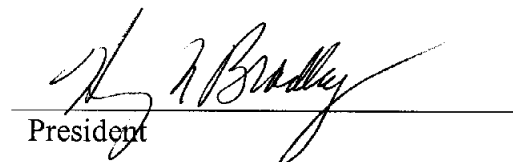
This License shall become effective upon publication of any required notice in the official City paper and after Licensee files a letter of acceptance with the City Clerk.

PASSED AND ADOPTED this 12th day of June, 2007 by the affirmative majority vote of the Sedona City Council.

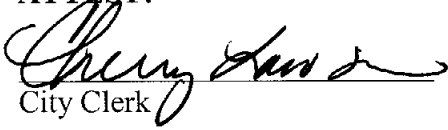
CITY OF SEDONA

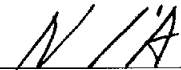

Mayor

NPG CABLE INC.

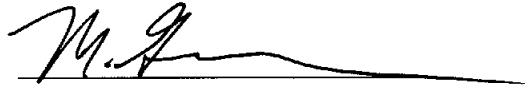

President

ATTEST:


City Clerk


Secretary

APPROVED AS TO FORM:


City Attorney

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FCC 394

APPLICATION FOR FRANCHISE AUTHORITY CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL OF CABLE TELEVISION FRANCHISE

FOR FRANCHISE AUTHORITY USE ONLY

SECTION I. GENERAL INFORMATION

DATE	6/3/2015	1. Community Unit Identification Number: AZ0107; AZ0108; AZ0335; AZ0174; AZ167; AZ0186; AZ0187
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2. Application for:

☐

Assignment of Franchise

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Transfer of Control

3. Franchising Authority: City of Sedona	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: City of Sedona	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	No longer applicable
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	As soon as practicable

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No.
1

PART I - TRANSFEROR/ASSIGNOR

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first)			
Cequel Corporation			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box			
520 Maryville Centre Drive, Suite 300			
City	State	ZIP Code	Telephone No. (include area code)
St. Louis	MO	63141	314-315-9400

2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No.
2

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

☒

Yes

☐

No

If No, explain in an Exhibit.

Exhibit No.
2

PART II - TRANSFEREE/ASSIGNEE

1.(a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first)			
Altice S.A.			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box			
3, boulevard Royal, L-2449			
City	State	ZIP Code	Telephone No. (include area code)
	Luxembourg		+352 27 858 901

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first)			
Zarrilli, Michael			
Firm or company name (if any)			
Suddenlink Communications			
Mailing street address or P.O. Box			
520 Maryville Centre Drive, Suite 300			
City	State	ZIP Code	Telephone No. (include area code)
St. Louis	MO	63141	314-315-9337

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No.
n/a

(d) Indicate the address where the system's records will be maintained.

Street address		
Records will continue to be maintained at the current location		
City	State	ZIP Code

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No.
n/a

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

☒

Corporation

a. Jurisdiction of incorporation: Grand Duchy of Luxembourg	d. Name and address of registered agent in jurisdiction: 3, boulevard Royal, L-2449 Luxembourg
b. Date of incorporation: 1/15/2014	
c. For profit or not-for-profit: For Profit	

☐

Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

☐

General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:
--	-----------------------

☐

Individual

☐

Other. Describe in an Exhibit.

Exhibit No. n/a

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

(a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.

(b) Citizenship.

(c) Relationship to the transferee/assignee (e.g., officer, director, etc.).

(d) Number of shares or nature of partnership interest.

(e) Number of votes.

(f) Percentage of votes.

(a)	See Attached Exhibit 3		
(b)	See Attached Exhibit 3		
(c)	See Attached Exhibit 3		
(d)	See Attached Exhibit 3		
(e)	See Attached Exhibit 3		
(f)	See Attached Exhibit 3		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

☐ Yes ☒ No

If the answer is No, explain in an Exhibit.

Exhibit No.
4

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority?

☐ Yes ☒ No

If the answer is Yes, describe circumstances in an Exhibit.

Exhibit No.
n/a

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination?

☐ Yes ☒ No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No.
n/a

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

☒ Yes ☐ No

If Yes, provide particulars in an Exhibit.

Exhibit No.
5

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

☐ Yes ☒ No

If No, attach as an Exhibit a full explanation.

Exhibit No.
6

SECTION III. TRANSFEE/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.
2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principals, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

☒ Yes ☐ No

Exhibit No.
7

SECTION IV. TRANSFEE/ASSIGNEE'S TECHNICAL QUALIFICATIONS


Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

Exhibit No.
8

SECTION V - CERTIFICATIONS

Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.


I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date 6-3-15
	Print full name Michael J. Zarrilli - Vice President Government Relations
Check appropriate classification:	
<input type="checkbox"/> Individual	<input type="checkbox"/> General Partner
<input checked="" type="checkbox"/> Corporate Officer (Indicate Title)	<input type="checkbox"/> Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date 6-3-15
	Print full name JEREMIE BONNIN General Secretary
Check appropriate classification:	
<input type="checkbox"/> Individual	<input type="checkbox"/> General Partner
<input checked="" type="checkbox"/> Corporate Officer (Indicate Title)	<input type="checkbox"/> Other. Explain:

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July 21, 2015

City Attorney's Office
Sedona, Arizona

JUL 23 2015

RECEIVED

BY OVERNIGHT MAIL

City of Sedona
City Clerk's Office
Attention: Ronald Ramsey
102 Roadrunner Drive
Sedona, AZ 86335

Re: NPG Cable LLC Cable Television License Transfer

Dear Mr. Ramsey,

On behalf of NPG Cable, LLC d/b/a Suddenlink Communications ("Suddenlink"), I accept the terms, conditions, and obligations of the 2007 Cable License Renewal Agreement ("License") between the City of Sedona and NPG Cable, Inc. Further, I have read the License and affirm that Suddenlink will continue to abide by the terms of the License and Chapter 12 of the Sedona City Code.

Pursuant to City Code Section 12-1-12, enclosed please find a check in the amount \$2,500 for the License transfer fee.

We look forward to serving the residents of Sedona. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "MJZ", is written over the word "Sincerely,".

Michael J. Zarrilli
Vice President
Government Relations
& Senior Counsel

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RESOLUTION NO. 2016-__

A RESOLUTION OF THE CITY OF SEDONA, ARIZONA APPROVING THE CHANGE OF CONTROL OF THE CABLE TELEVISION FRANCHISE.

WHEREAS, NPG Cable, LLC d/b/a Suddenlink Communications (“Franchisee” or “Suddenlink”) owns, operates, and maintains a cable television system serving the City of Sedona pursuant to a franchise agreement or similar authorization (the “Franchise”) issued by the City of Sedona (the “Franchise Authority”), and Franchisee is the duly authorized holder of the Franchise; and

WHEREAS, Cequel Communications Holdings, LLC (“Cequel”), the parent of the Franchisee, has entered into a Purchase and Sale Agreement (the “Agreement”) with Altice S.A. (“Altice”), pursuant to which all of the issued and outstanding equity interests of Cequel will be acquired by Altice (the “Transaction”); and

WHEREAS, Franchisee has requested the consent of the Franchise Authority for the change of control of the Franchise in connection with the Transaction in accordance with the requirements of the Franchise and applicable law and has filed with the Franchise Authority an application on FCC Form 394 that includes relevant information concerning the Transaction and Altice (collectively, the “Application”); and

WHEREAS, the Franchise Authority has reviewed the Application, examined the legal, financial and technical qualifications of the relevant parties, followed all required procedures to consider and act upon the Application, and considered the comments of all interested parties; and

WHEREAS, the Franchise Authority believes it is in the interest of the community to approve the Application and the change of control of the Franchise in connection with the Transaction, as described in the Application.

NOW THEREFORE BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:

SECTION 1. The Franchise Authority hereby approves the Application and consents to the change of control of the Franchise in connection with the Transaction, all in accordance with the terms of the Franchise and applicable law.

SECTION 2. The Franchise Authority’s approval of the Application and its consent to the change of control of the Franchise in connection with the Transaction shall be effective immediately, and Suddenlink shall notify the Franchise Authority of the closing of the Transaction promptly after the Closing Date; provided, however, this Resolution shall be null and void if the Transaction is not consummated.

SECTION 3. This Resolution shall have the force of a continuing agreement with Franchisee, and the Franchising Authority shall not revoke, amend or otherwise alter this Resolution without the consent of the Franchisee.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 14th day of June, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney



CITY COUNCIL AGENDA BILL

AB 2108
June 14, 2016
Regular Business

Agenda Item: 8d

Proposed Action & Subject: Discussion/possible action regarding an Ordinance revising Chapter 12.30.160 of the Sedona City Code.

Department Parks and Recreation

Time to Present 5 minutes

Total Time for Item 15 minutes

Other Council Meetings N/A

Exhibits A. Ordinance

City Attorney Approval	Reviewed 6/6/16 RLP	Expenditure Required \$ 0
City Manager's Recommendation	Approve the Ordinance revising Chapter 12.30.160 of the Sedona City Code.	Amount Budgeted \$ 0 Account No. N/A (Description) Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background:

Current City Code reads:

- **12.30.160 Distribution or sale of food, beverages or other items** Commercial distribution or sales of food, beverages *or any other item* is prohibited at parks and recreation facilities, unless written authorization is obtained from the parks and recreation department. [Ord. 2009-10, 9-8-2009. Code 2006 15-2-15]

This rule is no longer adequate to manage current situations within the parks. Individuals and businesses frequently request to teach classes in the parks. Examples are tennis lessons, yoga classes, and fitness classes. Presently we tell them that, if they are collecting a fee or running a business, they are not allowed to teach on City property (without our consent). We have used the "*or any other item*" from the code to support our statement; however, that language is not ideal.

The revision to City Code will more clearly define what is allowed and what is not allowed in regards to concessionaires, instructors, and selling in general.

Staff recommendation is to revise the City Code to read:

- **12.30.160 Commercial Activities** No person may use a City park or recreation facility, including but not limited to tennis courts, bike skills park, fields, or swimming pool, for the purpose of giving a lesson or hosting a program for compensation or fees of any sort, except when lessons or programs are offered as part of a recreation program sponsored by the City or when offered by a concessionaire who has been permitted by the City Manager or his/her designee. It shall be unlawful for any person to engage in a commercial sales activity in a public park without first obtaining approval by the City. "Commercial sales activity" means the displaying for sale, selling, vending, peddling, or transfer of possession or ownership of an item or food sales for a price or for a stated minimum donation.

The monitoring of sales within city parks is a common practice. Examples from other cities:

1. Commercial Activity. No person shall advertise, solicit goods or services or engage in any activity for commercial gain within a park without prior authorization from the Director. *Apache Junction*.
2. Facilities cannot be rented for purposes of making a profit, fundraising, and selling products or services, except by a non-profit organization (non-profit groups must show proof of non-profit status as defined by the IRS at the time of application). *Town of Fountain Hills*.
3. Certain City facilities such as tennis courts, weight rooms, and other facilities as determined by the Community Services Director may only be scheduled for commercial use outside of normal public use time or in designated low public use times, or may not be available for commercial activities at all. Outdoor Park Commercial Use Fee. The Community Services Division reserves the right to assign designated commercial use areas in park outdoor facilities where the requested commercial use does not require a designated reservable facility. *Scottsdale*.

The more inclusive code will allow staff to better monitor and operate the parks and City facilities.

Community Plan Consistent: ☒Yes - ☐No - ☐Not Applicable

Chapter 6, #3 Develop partnerships that leverage resources of the City and other organizations to support park and recreation facilities and programs.

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): 1. Do not approve the change to City Code Chapter 12.30.160
2. Suggest different language for the change to City Code Chapter 12.30.160

MOTION

I move to: approve Ordinance 2016-___, revising Chapter 12.30.160 of the Sedona City Code.

ORDINANCE NO. 2016-_____

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, AMENDING THE SEDONA CITY CODE ,CHAPTER 12.30 (PARKS AND RECREATION FACILITIES), MODIFYING THE RESTRICTIONS ON COMMERCIAL ACTIVITIES; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES OR ANY PART OF THE SEDONA CITY CODE IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE SHALL BE REPEALED UPON THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, AS FOLLOWS:

Section 1. Amendment of Code

Section 12.30.160 (Distribution or Sale of Food, Beverages, or Other Items) of Chapter 12.30 (Parks and Recreation Facilities) is amended to read as follows:

12.30.160 Commercial Activities No person may use a City park or recreation facility, including but not limited to, tennis courts, bike skills park, fields, or swimming pool, for the purpose of giving a lesson or hosting a program for compensation or fees of any sort, except when lessons or programs are offered as part of a recreation program sponsored by the City, or when offered by a concessionaire who has been permitted by the City Manager or his/her designee. It shall be unlawful for any person to engage in a commercial sales activity in a public park without first obtaining approval by the City. "Commercial sales activity" means the displaying for sale, selling, vending, peddling, or transfer of possession or ownership of an item or food sales for a price or for a stated minimum donation.

Section 2. Repeal

All ordinances or parts of ordinances or any part of the Sedona City Code in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict as of the effective date hereof.

Section 3. Savings Clause

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Ordinance. The City Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, despite the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof would be declared invalid or unconstitutional.

Section 4. Penalty

Except as otherwise provided, any person found guilty of violating any provision of the Code of the City of Sedona, Arizona, and any amendment thereto, or any order or regulation made therein, including the failure to perform any act or duty so required, shall be guilty of a Class 1 misdemeanor, and, upon conviction, shall be punished by a fine not to exceed two thousand five hundred dollars (\$2,500.00), or by imprisonment for a period not to exceed six (6) months, or by both fine and imprisonment. Each day that any violation continues shall be a separate offense punishable as above described or by civil sanction.

PASSED AND ADOPTED by the Mayor and City Council of the City of Sedona, Arizona this 14th day of June, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney